

THE WYATT COMPANY HOLDINGS LIMITED

Registered in England Number 00908628

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2014

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THE WYATT COMPANY HOLDINGS LIMITED

STRATEGIC REPORT

For the year ended 30 June 2014

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

BUSINESS REVIEW AND FUTURE PROSPECTS

The financial statements show a profit before taxation for the year of £658,000 (2013 - £18,634,000) comprising principally dividends received from other group companies.

The directors are satisfied with the financial performance of the Company and with its future prospects.

Principal risks and uncertainties

The Company has a significant equity investment of 18% in Towers Watson (UK) Acquisitions 2 Limited. The Company is exposed to the impairment of this investment if there is insufficient future cash flow to support the carrying value of the investment. The ultimate parent undertaking, Towers Watson & Co. has confirmed via a letter of support that it will provide adequate finance for the foreseeable future and at least for the twelve months from the date on which the financial statement are signed. The Company reviews the investment for signs of impairment and provisions are made where appropriate.

Financial risk management objectives and policies

The Company's activities expose it to certain risk as described below. The directors believe such risks are adequately monitored by the management of the Company.

The Company is subject to the risk that investment income is insufficient to meet the Company's liability to pay loan interest. In such cases the Company is reliant on the support of its parent undertaking. The Company is also at risk from interest rate movements on its loans from other group companies as the interest rate on those loans is linked to LIBOR.

Approved by the Board of Directors
and signed on behalf of the Board



V J Raimondo
Director

Watson House
London Road
Reigate
Surrey
RH2 9PQ
11 December 2014

THE WYATT COMPANY HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the holding of investments in undertakings engaged in the provision of actuarial and consulting services in the European region. The directors expect no change in the activities of the Company.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND FUTURE PROSPECTS

Details of financial risk management and future developments can be found in the Strategic Report on page 1 and forms part of this report by cross-reference.

GOING CONCERN

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 ultimate parent undertaking, Towers Watson & Co. has confirmed via a letter of support that it will provide adequate finance for the foreseeable future and at least for the twelve months from the date on which the financial statement are signed. On this basis, the directors are satisfied that the Company is a going concern. Accordingly, 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 the statement of accounting policies in the financial statements.

DIVIDENDS

Interim dividends of £446,000 (2013 - £18,747,000) were paid during the year. No final dividend has been paid or declared in respect of the year under review (2013 - £Nil).

DIRECTORS

The directors who served throughout the year were as follows :

P G Morris
T A Rhodes
V J Raimondo (Appointed 27 November 2014)

INDEPENDENT AUDITOR AND STATEMENT OF PROVISION OF INFORMATION TO THE INDEPENDENT AUDITOR

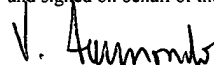
Deloitte LLP will be reappointed as auditor during the forthcoming year.

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 section 418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



V J Raimondo
Director

Watson House
London Road
Reigate
Surrey
RH2 9PQ
11 December 2014

THE WYATT COMPANY HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 June 2014

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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WYATT COMPANY HOLDINGS LIMITED

We have audited the financial statements of The Wyatt Company Holdings Limited for the year ended 30 June 2014, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 June 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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.



Robert Knight FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

11 December 2014

THE WYATT COMPANY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2014

	<u>Notes</u>	<u>2014 £'000</u>	<u>2013 £'000</u>
Other external charges		(16)	(2)
OPERATING LOSS		(16)	(2)
Disposal of fixed asset investment		(25)	-
Income from shares in group undertakings		795	18,747
Interest payable and similar charges	5	(96)	(111)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	658	18,634
Tax charge on profit on ordinary activities	6	-	(30)
PROFIT FOR THE FINANCIAL YEAR	11	658	18,604

All results are from continuing operations.

There are no recognised gains and losses other than the profits shown above. Therefore, a statement of total recognised gains and losses is not presented.

THE WYATT COMPANY HOLDINGS LIMITED

BALANCE SHEET
As at 30 June 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	7	160,225	160,250
Creditors: amounts falling due within one year			
	8	(4,527)	(3,846)
NET CURRENT LIABILITIES		(4,527)	(3,846)
TOTAL ASSETS LESS CURRENT LIABILITIES		155,698	156,404
Creditors: amounts falling due after more than one year			
	9	(918)	(1,836)
NET ASSETS		154,780	154,568
CAPITAL AND RESERVES			
Called up share capital	10,11	2,012	2,012
Share premium account	10	8,930	8,930
Capital contribution reserve	10	15	15
Profit and loss account	10	143,823	143,611
SHAREHOLDER'S FUNDS		154,780	154,568

The financial statements of The Wyatt Company Holdings Limited (registered number 00908628) were approved by the board of directors and authorised for issue on 11 December 2014. They were signed on its behalf by:



V J Raimondo
Director

THE WYATT COMPANY HOLDINGS LIMITED

Notes to the financial statements for the year ended 30 June 2014

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below and have been applied consistently in the current and prior year.

b. Going Concern

The funds of the Company are substantially invested in group undertakings, financed by loans from the parent undertaking. The directors expect that the Company will continue to receive dividends at the same level or higher in future periods.

The ultimate parent undertaking, Towers Watson & Co. has confirmed via a letter of support that it will provide adequate finance for the foreseeable future and at least for the twelve months from the date on which the financial statement are signed. On this basis, the directors are satisfied that the Company is a going concern.

c. Group accounts

The Company is exempt under section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements, provided certain conditions are met.

The Company and its subsidiaries are included in the consolidated audited financial statements of Towers Watson & Co. for the year ended 30 June 2014, which is resident in the United States of America. Its financial statements are drawn-up in a manner considered to be equivalent to UK GAAP consolidated financial statements, as required by the EU Seventh Directive.

d. Cash flow statement

The Company has taken advantage of the exemption within Financial Reporting Standard 1 (Revised) 'Cash flow statements' not to produce a cash flow statement as its results are included in the consolidated financial statements of its ultimate parent company.

e. Investments

Investments are stated at cost less any provisions for impairment.

f. Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditor's remuneration for the audit of the financial statements of the Company for the year (£4,500) and preceding year (£4,500) was borne by a fellow subsidiary undertaking.

3. DIRECTORS' EMOLUMENTS

None of the directors received emoluments in respect of their services to the Company in either year.

4. STAFF COSTS

No staff were employed during either year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Group undertakings	96	111

THE WYATT COMPANY HOLDINGS LIMITED

Notes to the financial statements for the year ended 30 June 2014 (continued)

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

The rate of UK corporation tax for the year is 22.5% (2013 - 23.75%).

	2014 £'000	2013 £'000
UK corporation tax charge on profit for the year at 22.5% (2013 - 23.75%)	-	-
Prior year adjustment	-	(30)
Tax charge on profit on ordinary activities	-	(30)

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%). The differences are explained below.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	658	18,634
Tax charge for the year at 22.5% (2013 - 23.75%)	148	4,427
Income from group undertakings not taxable	(179)	(4,452)
Non-deductible expense	5	-
Losses surrendered for no value	26	25
Prior year adjustment	-	(30)
Tax charge on profit on ordinary activities	-	(30)

7. INVESTMENTS

	Subsidiary undertakings £'000	Other investments £'000	Total £'000
At beginning of year	75	160,175	160,250
Disposals	(25)	-	(25)
At end of year	50	160,175	160,225

During the year the Company completed a capital reduction order and received a final dividend from Wyatt Financial Services Limited, there was no gain or loss as a result. This company was struck off during the year.

The Company holds directly, the issued ordinary share capital of the undertakings shown below in the proportions shown. All investments are in equity shares.

Subsidiary undertakings	Holding	Country of incorporation and operation	Nature of business
Direct holdings			
The Wyatt Company (UK) Limited	100%	United Kingdom	Dormant
Other investments			
Watson Wyatt (UK) Acquisitions 2 Limited	18%	United Kingdom	Investment Holding

8. CREDITORS: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	4,527	3,846
Amounts owed to group undertakings	4,527	3,846

THE WYATT COMPANY HOLDINGS LIMITED

Notes to the financial statements for the year ended 30 June 2014 (continued)

9. CREDITORS: amounts falling due after more than one year	2014 £'000	2013 £'000
Amounts owed to group undertakings	918	1,836

Total amounts owed to group undertakings includes £3,672,000 (2013 - £3,672,000) in respect of the balance an interest bearing loan from a fellow subsidiary undertaking. Interest on the loan is charged at a market rate. The loan is repayable by 2 equal instalments, including accrued interest, on 31 October each year, and matures on 31 October 2015. No payment has been made during the last two years, therefore two installments are included within Creditors: amounts falling due within one year.

10. CALLED UP SHARE CAPITAL	2014 £'000	2013 £'000
Called up, allotted and fully paid		
2,011,802 (2013 - 2,011,802) Ordinary shares of £1 each	2,012	2,012

11. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	Called up Share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total 2014 £'000	Total 2013 £'000
At beginning of year	2,012	8,930	15	143,611	154,568	154,711
Profit for the financial year	-	-	-	658	658	18,604
Equity dividends paid	-	-	-	(446)	(446)	(18,747)
At end of year	2,012	8,930	15	143,823	154,780	154,568

Included within the profit and loss account is an unrealised gain of £140,095,000 which will only become distributable should Towers Watson Limited be sold for qualifying consideration at an amount where the portion of such consideration due to the Company would be equal to or greater than £160,075,000.

12. DIVIDENDS

Interim dividends of £446,000 (2013 - £18,747,000) were paid during the year, no final dividend was paid (2013 - £nil).

13. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

At the balance sheet date the Company was a wholly owned subsidiary of Watson Wyatt (UK) Acquisitions I Limited, a company incorporated in the United Kingdom.

The ultimate parent company and controlling entity Towers Watson & Co., a company registered in Delaware, United States of America and listed on the New York Stock Exchange.

The largest and smallest group into which the company's accounts are consolidated is Towers Watson & Co.

Consolidated financial statements of Towers Watson & Co. for the year ended 30 June 2014 are available on the Towers Watson website at: www.towerswatson.com.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage, as a 100% owned subsidiary, of the exemption under Financial Reporting Standard (FRS) 8, 'Related Party Disclosures', from disclosure of transactions and balances with group companies. Accordingly, transactions with Towers Watson & Co. and its subsidiary undertakings are not disclosed separately.