WILLIS INTERNATIONAL LIMITED
(Registered Number 1234512)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Directors

SJ Turvill
Willis Corporate Director Services Limited (appointed 17 November 2011)
PJ Thomson-Hall (appointed 1 January 2012)

Secretary

Willis Corporate Secretarial Services Limited

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2011

Principal activities and review of developments

The Company acts as a holding company 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

There have been no significant changes in the Company's principal activities in 2011 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 £11 million (2010 profit of £232 million), as shown in the profit and loss account on page 6 The decrease in profit is mainly attributable to a decrease of £181 million in dividends received from the Company's subsidiary and associate undertakings and a £46 million increase in operating expenses The increase in expenses is due largely to a £25 million service fee for costs associated with management of the Company's investments and £21 million of allocated costs

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 9

Dividends

An interim dividend of £26 million was paid on 30 September 2011 (2010 interim dividends of £113 million, £46 million and £74 million were paid on 30 March 2010, 17 December 2010 and 22 December 2010, respectively) The Directors do not recommend the payment of a final dividend (2010 £nil)

Balance sheet

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end Net assets have decreased by £15 million as a result of an £11 million increase in the net intercompany creditor balance and £4 million decrease in fixed asset investments as a result of the Company's write down in its investment in Friars Street Insurance Limited

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

Details of significant events since the balance sheet date are contained in note 16 to the financial statements on page 15

Principal risks and uncertainties

The Company has intercompany balances with fellow Group undertakings in currencies other than pounds sterling, 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

The Company is potentially exposed to credit and impairment risk from its investments in its subsidiary and associate undertakings An impairment allowance would be made if there were to be an identified loss event which would evidence a potential reduction in the recoverability of the cash flows An event has been identified and an impairment allowance has been made, further details can be found in note 5 to the financial statements on page 11

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Principal risks and uncertainties (continued)

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

Environment

The Group recognises the importance of its environmental responsibilities, monitors 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 (2010 none)

Directors

The current Directors of the Company are shown on page 1, which forms part of this report JB McGrath resigned as a Director of the Company on 3 November 2011 Willis Corporate Director Services Limited and PJ Thomson-Hall were appointed with effect from 17 November 2011 and 1 January 2012, respectively 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 auditors

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 auditors are unaware, and
- the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information 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 418 of the Companies Act 2006

Auditors

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 auditors in the absence of an Annual General Meeting

By Order of the Board

SJ Turvill
Director
51 Lime Street
London EC3M 7DQ

23 July 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS INTERNATIONAL LIMITED

We have audited the financial statements of Willis International Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 16 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 2011 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

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
27 Jul 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £m	2010 £m
Turnover	2	55	236
Operating expenses		(46)	-
Operating (expenses)/income – foreign exchange (loss)/gain		(1)	1
Operating profit	3	8	237
Interest payable to Group undertakings		(7)	(7)
Amounts written off fixed asset investments	5	(4)	-
(Loss)/profit on ordinary activities before taxation		(3)	230
Tax credit on (loss)/ profit on ordinary activities	6	14	2
Profit on ordinary activities after taxation		11	232

All activities derive from continuing operations

There are no recognised gains or losses in either 2011 or 2010 other than the profit for those years

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 £m	2010 £m
Fixed assets			
Investments	8	**230**	234
Current assets			
Debtors amounts falling due within one year	11	**29**	4
Current liabilities			
Creditors amounts falling due within one year	12	**(240)**	(204)
Net current liabilities		**(211)**	(200)
Net assets		**19**	34
Capital and reserves			
Called up share capital	13	**-**	-
Share premium	14	**2**	2
Profit and loss account	14	**17**	32
Shareholders' funds		**19**	34

The financial statements of Willis International Limited, registered company number 1234512, were approved by the Board of Directors and authorised for issue on 23 July 2012 and signed on its behalf by

Sarah J. Turvill

SJ Turvill
Director

MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2011

Movements in shareholders' funds	**2011 £m**	2010 £m
Profit on ordinary activities after taxation	**11**	232
Dividends paid	**(26)**	(233)
Net movements in shareholders' funds for the year	**(15)**	(1)
Shareholders' funds at beginning of year	**34**	35
Shareholders' funds at end of year	**19**	34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 is an intermediate holding company within the Willis Group and indirectly owns substantially all of the rest of world trading companies in the Willis Group,
- while the Company has net current liabilities of £211 million (2010 £200 million) this amount is attributable to a net intercompany creditor If the Company were required to settle this creditor balance, the Group would arrange for either a dividend from the underlying trading companies to fund the repayment or provide alternative funding, 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 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 Faber Limited, and
- ultimate parent company is Willis Group Holdings plc, a company incorporated in Ireland

In accordance with Section 400 of the Companies Act 2006, 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 plc, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ

Revenue recognition

Income from shares in subsidiary and associate undertakings is recognised when the subsidiary and associate undertakings have a legally binding obligation to make the distribution

Finance income / charges

Interest receivable and interest payable are accounted for on an accruals basis

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

1. Accounting policies (continued)

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')

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

Fixed asset investments

Investments in subsidiaries and associates are carried at cost less provision for impairment

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 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. Turnover

Turnover comprises income from shares in subsidiary and associate undertakings The table below analyses turnover by the accounting address of the company from whom it is derived

Income from shares in subsidiary and associate undertakings	2011 £m	2010 £m
United Kingdom	53	233
Rest of World	2	3
	55	236

3 Operating profit

Auditors' remuneration of £5,000 (2010 £5,000) was borne by another Group company

Operating expenses of £46 million consisted of a £25 million service fee for costs associated with management of the Company's investments and £21 million of allocated costs

4. Dırectors' remuneratıon

The Dırectors of the Company receıved no remuneratıon for servıces rendered to the Company durıng the year (2010 £nıl)

5. Amounts wrıtten off fixed asset ınvestments	2011 £m	2010 £m
Amounts wrıtten off fixed asset ınvestments	4	-

Durıng 2011 the Company wrote down ıts cost of ınvestment ın Frıars Street Insurance Lımıted

6. Tax on profit on ordınary actıvıtıes	2011 £m	2010 £m
(a) Analysıs of credıt for the year		
Current tax:		
UK corporatıon tax on profit at 26 5% (2010 28%)	(14)	(2)
Total current tax (note 6(b))	(14)	(2)
(b) Factors affectıng current tax for the year		
The tax assessed for the year ıs lower (2010 lower) than the standard rate of corporatıon tax ın the UK (26 5%) (2010 28%) The dıfferences are explaıned below		
(Loss)/profit on ordınary actıvıtıes before taxatıon	(3)	230
(Loss)/profit on ordınary actıvıtıes multıplıed by the standard rate of corporatıon tax ın the UK of 26 5% (2010 28%)	(1)	64
Effects of		
Intra-group dıvıdends whıch are non-taxable	(15)	(66)
Amounts not deductıble for tax purposes	2	-
Total current tax credıt for the year (note 6(a))	(14)	(2)

(c) Cırcumstances affectıng current and future tax charges

The Government announced on 23 March 2011 that ıt ıntended to reduce the rate of UK corporatıon tax from 28% to 23% over four years Consequently the Fınance Act 2011, whıch was substantıvely enacted on 19 July 2011, ıncluded provısıons to reduce the rate of UK corporatıon tax to 26% wıth effect from 1 Aprıl 2011 and to 25% wıth effect from 1 Aprıl 2012

On 21 March 2012, the Government proposed further legıslatıon to reduce the rate of UK corporatıon tax to 24% wıth effect from 1 Aprıl 2012, 23% from 1 Aprıl 2013 and 22% from 1 Aprıl 2014 As these changes were not substantıvely enacted at the balance sheet date, theır ımpact ıs not reflected ın the tax provısıons reported ın these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

7. Dividends paid	2011 £m	2010 £m
First interim paid 30 September 2011 (2010 30 March 2010)	26	113
Second interim paid (2010 17 December 2010)	-	46
Third interim paid (2010 22 December 2010)	-	74
	26	233

8. Investments held as fixed assets	Subsidiary undertakings £m	Associate undertaking(ii) £m	Other investments(iii) £m	Total £m
Cost				
1 January 2011 and 31 December 2011	234	-	-	234
Provisions				
1 January 2011	-	-	-	-
Profit and loss charge (i)	4	-	-	4
31 December 2011	4	-	-	4
Net book value 31 December 2011	230	-	-	230

In the opinion of the Directors, the value of the shares in the subsidiary undertakings, associate undertaking and other investment is not less than the amount shown in the balance sheet

(i) Investment in Friars Street Insurance Limited
During the year the Company wrote down its investment in Friars Street Insurance Limited by £3,790,000 The value held was £4 million, in the opinion of the Directors the value of the shares held is £210,000

(ii) Cost and net book value of associate undertaking at 1 January 2011 and 31 December 2011 was £392,000
(iii) Cost and net book value of other investments at 1 January 2011 and 31 December 2011 was £202,000

9. Shares in subsıdiary undertakıngs

The prıncıpal subsıdıary undertakıngs at 31 December 2011 were

	Percentage of share capıtal held	Class of share	Country of incorporatıon
Investment Holdıng			
Asmarın Verwaltungs AG	100%	Ordınary of CHF 1,000 each	Swıtzerland
Wıllıs Europe B V	66 58%	Ordınary of €453 78 each	Netherlands
Wıllıs Overseas Investments Lımıted	100%	Ordınary of £10 each	Unıted Kıngdom
Insurance Brokıng			
Wıllıs (Bermuda) 2 Lımıted	100%	Ordınary of US$1 each	Bermuda
Captıve Insurance Company			
Frıars Street Insurance Lımıted	100%	Ordınary of £1 each	Guernsey
Captıve Insurance Management			
Wıllıs Management (Gıbraltar) Lımıted	100%	Ordınary of £1 each	Gıbraltar
Insurance Company			
Merıdıan Insurance Company Lımıted	100%	Common of US$240 each	Bermuda
Venture Reınsurance Company Lımıted	90%	Common of US$1 each	Barbados
	100%	Class B non-votıng, redeemable, non-cumulatıve preference of US$100 each	
Servıces Company			
WFD Servıcıos S A de C V Lımıted	60%	Ordınary of MXP 100 each	Mexıco

The Company ıs exempt from the oblıgatıon to prepare group fınancıal statements ın accordance wıth Sectıon 400 of the Companıes Act 2006 as the Company ıs a wholly-owned subsıdıary of Wıllıs Group Holdıngs plc, ın whose fınancıal statements ıt ıs consolıdated These fınancıal statements relate to the Company only and not to ıts Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

10. Shares in associate undertaking

The principal associate undertaking at 31 December 2011 was

	Percentage of share capital held	Class of share	Country of incorporation
Insurance Company			
Al-Futtaim Willis Co L L C	49%	Shares of 1,000 Dirham each	Dubai

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 400 of the Companies Act 2006 as the Company is a wholly-owned subsidiary of Willis Group Holdings plc, in whose financial statements it is consolidated These financial statements relate to the Company only and not to its Group

11. Debtors	2011 £m	2010 £m
Amounts falling due within one year:		
Amounts owed by Group undertaking	15	2
Amounts owed by Group undertakings in respect of group relief	14	2
	29	4

12. Creditors: amounts falling due within one year	2011 £m	2010 £m
Amounts owed to Group undertakings	240	204

13. Called up share capital	2011 £000	2010 £000
Allotted, called up and fully paid		
13,420 (2010 13,420) ordinary shares of £1 each	13	13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

14. Reserves and shareholders' funds	Share capital £m	Share premium £m	Profit and loss account £m	Total £m
1 January 2011	-	2	32	34
Profit on ordinary activities after taxation	-	-	11	11
Dividends paid	-	-	(26)	(26)
31 December 2011	-	2	17	19

15 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

16. Events after the balance sheet date

On 30 April 2012 the Company purchased one £1 ordinary share in Friars Street Insurance Limited, a direct subsidiary undertaking incorporated in Guernsey, at premium of £2,999,999 The Company remains 100% shareholder