

# **WILLIS CORROON LICENSING LIMITED**

(Registered Number 3285932)

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

### **Directors**

SE Wood  
Willis Corporate Director Services Limited  
OHW Goodinge (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 is a subsidiary of Willis Group Holdings plc ('the Group') and acts as a collector of royalty payments from wholly-owned subsidiary undertakings within the Group to whom the use of certain trademarks has been sub-licensed. 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 £3 million (2010: profit of £3 million). As shown in the profit and loss account on page 5, the Company reported an operating profit of £4 million for the year (2010: £4 million).

*Dividends*

No interim dividend was paid in the year (2010: £nil). The Directors do not recommend the payment of a final dividend (2010: £nil).

*Balance sheet*

The balance sheet on page 6 of the financial statements shows the Company's financial position at the year end. Net assets have increased by £3 million in the year in relation to further accruals for royalty fees receivable and corresponding accruals for fees payable to other 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**

This Company is exposed to 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' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)****Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. OHW Goodinge was appointed as a Director 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 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 ought to have taken as a Director in order to make himself 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



SE Wood  
Director  
51 Lime Street  
London EC3M 7DQ

6 July

2012

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS CORROON LICENSING LIMITED

We have audited the financial statements of Willis Corroon Licensing Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement 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 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.

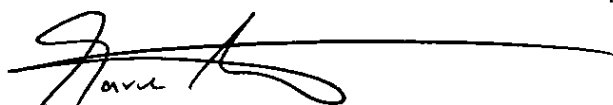
### Opinion on other matter prescribed by the Companies Act 2006

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

13 July 2012



**WILLIS CORROON LICENSING LIMITED****5****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £m	2010 £m
Turnover	2	80	84
Operating expenses		(76)	(80)
<b>Operating profit and profit on ordinary activities before taxation</b>	3	<b>4</b>	<b>4</b>
Tax charge on profit on ordinary activities	6	(1)	(1)
<b>Profit on ordinary activities after taxation</b>		<b>3</b>	<b>3</b>

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

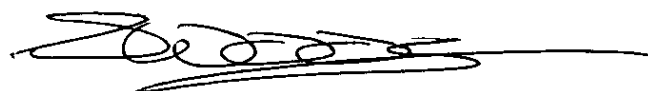
**WILLIS CORROON LICENSING LIMITED**

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**BALANCE SHEET AS AT 31 DECEMBER 2011**

	Note	2011 £m	2010 £m
<b>Current assets</b>			
Debtors amounts falling due within one year	7	25	26
<b>Current liabilities</b>			
Creditors amounts falling due within one year	8	(9)	(13)
<b>Net assets</b>		<b>16</b>	<b>13</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	16	13
<b>Shareholders' funds</b>		<b>16</b>	<b>13</b>

The financial statements of Willis Corroon Licensing Limited, registered company number 3285932, were approved by the Board of Directors and authorised for issue on 6 July 2012 and signed on its behalf by



SE Wood  
Director

**WILLIS CORROON LICENSING LIMITED**

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**MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>Movement in shareholders' funds</b>	<b>2011 £m</b>	<b>2010 £m</b>
Profit on ordinary activities after taxation	3	3
Net movement in shareholders' funds for the year	3	3
Shareholders' funds at beginning of year	13	10
<b>Shareholders' funds at end of year</b>	<b>16</b>	<b>13</b>

**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 has net current assets of £16 million (2010: £13 million), and
- the Directors believe the Willis Group is a going concern.

**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

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**

Revenue includes royalties receivable from subsidiary companies to whom the use of certain trademarks has been sub-licensed and is recognised as earned. The royalties are calculated as a percentage of relevant turnover of the licensee.

**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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (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.

<b>Fees</b>	<b>2011 £m</b>	<b>2010 £m</b>
United Kingdom	28	29
North America	43	46
Rest of the world	9	9
	<b>80</b>	<b>84</b>

**3. Operating profit**

Auditors' remuneration of £2,700 (2010: £2,700) was borne by another Group company.

**4. Employee costs**

The Company employed no staff during the year (2010: none).

**5. Directors' remuneration**

The Directors of the Company received no remuneration for services rendered to the Company during the year (2010: £nil).

<b>6. Tax on profit on ordinary activities</b>	<b>2011 £m</b>	<b>2010 £m</b>
<i>(a) Analysis of charge for the year</i>		
Current tax:		
UK corporation tax on profit at 26.5% (2010: 28%)	1	1
Tax on profit on ordinary activities	<b>1</b>	<b>1</b>

*(b) Factors affecting current tax for the year*

The tax assessed for the year is equal (2010: equal) to the standard rate of corporation tax in the UK (26.5% (2010: 28%)).

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

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

*(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 19 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 24% with effect from 1 April 2012, 23% from 1 April 2013 and 22% from 1 April 2014. As these changes were not substantively enacted at the balance sheet date, their impact is not reflected in the tax provisions reported in these accounts.

	2011 £m	2010 £m
<b>7. Debtors</b>		
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertakings	25	26
<b>8 Creditors: amounts falling due within one year</b>		
	2011 £m	2010 £m
Amounts owed to Group undertaking	8	12
Amounts owed to Group undertaking in respect of group relief	1	1
	9	13
<b>9 Called up share capital</b>		
	2011 £	2010 £
Allotted, called up and fully paid		
2 (2010: 2) ordinary shares of £1 each	2	2

**10 Reserves and shareholders' funds**

**Profit and  
loss account  
£m**

**WILLIS CORROON LICENSING LIMITED****11****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)**

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1 January 2011	13
Profit on ordinary activities after taxation	<u>3</u>
31 December 2011	<u>16</u>

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**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.

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