

WILLIS CORROON LICENSING LIMITED

(Registered Number 3285932)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Directors

RH Hammond-West (appointed 29 January 2016)

OHW Goodinge

Willis Corporate Director Services Limited

Registered Office

51 Lime Street
London EC3M 7DQ

Auditor

Deloitte LLP
London

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WILLIS CORROON LICENSING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Company activities and review of developments

The Company 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 and is a subsidiary of Willis Towers Watson plc. Willis Towers Watson plc, together with its subsidiaries ('the Group') is one of the world's leading professional service providers of risk management, insurance broking, consulting, technology and solutions and private exchange services.

There have been no significant changes in the Company's principal activities in 2016. 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 £4 million (2015: £3 million) as shown in the income statement on page 8. The Company reported an operating profit of £5 million for the year (2015: £4 million).

Balance Sheet

The balance sheet on page 9 of the financial statements shows the Company's financial position at the year end. Net assets have decreased by £6 million as a result of £6 million decrease in net amounts owed by 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

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 derivative contracts to manage this risk at a Group level.

The Company is also exposed to additional risks by virtue of being part of the wider Group, including those relating to the vote in the United Kingdom to leave the European Union. 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, 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 (2015: none).

By Order of the Board



RH Hammond-West
Director
51 Lime Street
London EC3M 7DQ

28 June

2017

WILLIS CORROON LICENSING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2016.

Strategic report

The Directors have approved the content of the Company's strategic report prepared in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The report provides an overview of the Company's activities and an analysis of its performance for the year ended 31 December 2016, along with the principal risks faced in achieving its future objectives.

Merger with Towers Watson & Co.

On 4 January 2016, pursuant to an Agreement and Plan of Merger, the Willis Group Holdings plc group and the Towers Watson & Co. group combined, with Towers Watson & Co. becoming a wholly-owned subsidiary of Willis Group Holdings plc. Immediately following the merger Willis Group Holdings plc changed its name to Willis Towers Watson plc. This Company is not directly affected by the merger.

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 11.

Dividends

An interim dividend of £10 million was paid on 22 December 2016 (2015: £nil).

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. SE Wood resigned as a Director of the Company on 29 January 2016. RH Hammond-West was appointed as a Director of the Company on 29 January 2016. 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), including the Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101"). 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 judgements 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.

WILLIS CORROON LICENSING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

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.

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



RH Hammond-West
Director
51 Lime Street
London EC3M 7DQ

28 June

2017

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 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. 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), including FRS 101 "Reduced Disclosure Framework".

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 31 December 2016 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.

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



Elanor Gill (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

28 June

2017

WILLIS CORROON LICENSING LIMITED**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £m	2015 £m
Turnover	3	90	91
Operating expenses		(85)	(87)
Operating profit and profit on ordinary activities before taxation	4	5	4
Tax charge on profit on ordinary activities	7	(1)	(1)
Profit for the year		4	3

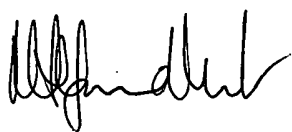
All activities derive from continuing operations.

There is no other comprehensive income in either 2016 or 2015 .

WILLIS CORROON LICENSING LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2016**

	Notes	2016 £m	2015 £m
Current assets			
Debtors: amounts falling due within one year	9	39	29
Current liabilities			
Creditors: amounts falling due within one year	10	(33)	(17)
Net assets		6	12
Equity			
Called up share capital	11	-	-
Retained earnings		6	12
Shareholder's equity		6	12

The financial statements of Willis Corroon Licensing Limited, registered company number 3285932, were approved by the Board of Directors and authorised for issue on 28 June 2017 and signed on its behalf by:



RH Hammond-West
Director

WILLIS CORROON LICENSING LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Called up share capital £m	Retained earnings £m	Total equity £m
Balance at 1 January 2015		-	9	9
Profit for the year		-	3	3
Total comprehensive income for the year		-	3	3
Balance at 31 December 2015		-	12	12
Profit for the year		-	4	4
Total comprehensive income for the year		-	4	4
Dividends to shareholders	8	-	(10)	(10)
Balance at 31 December 2016		-	6	6

WILLIS CORROON LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and, consequently, has prepared these financial statements in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101").

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below.

Disclosure exemptions

The Company has taken advantage of certain disclosure exemptions permitted under FRS 101 primarily in relation to: (i) presentation of a cash flow statement; (ii) financial instruments; (iii) related party transactions; and (iv) new International Financial Reporting Standards ('IFRSs') that have been issued but are not yet effective as, where required, equivalent disclosures are given in the group accounts of Willis Towers Watson plc.

Going concern

The Company's business activities and the factors likely to affect its future development and position are set out in the Strategic Report.

The Directors have conducted enquiries into the nature and quality of the assets and liabilities that make up the Company's capital. Furthermore the Directors' enquiries extend to the Company's relationship with the Group and external parties on a financial and non-financial level. Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Group to continue as a going concern or its ability to repay loans due to the Company from time to time.

As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

True and fair view override

In special disclosure circumstances, where compliance with any of the provisions of the Companies Act as to the matters to be included in a company's accounts (or notes thereto) is inconsistent with the requirement to give a true and fair view of the state of affairs and profit or loss, the directors shall depart from that provision to the extent necessary to give a true and fair view. In these instances, the Company would adopt a true and fair view override.

Parent undertaking and controlling party

The Company's:

- immediate parent company and controlling undertaking is Willis Faber Limited; and
- ultimate parent company is Willis Towers Watson plc, a company incorporated in Ireland, whose registered office is Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, Ireland.

The largest and smallest group in which the results of the Company are consolidated is Willis Towers Watson plc, whose financial statements are available to members of the public on the Group's website www.willistowerswatson.com, in the Investor Relations section.

WILLIS CORROON LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

1. Accounting policies (continued)

Revenue recognition

Revenue includes royalties receivable from wholly-owned subsidiary companies within the Group 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.

Revenue is stated net of VAT, where applicable.

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').

Transactions in currencies other than the functional currency are initially recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Income taxes

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.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Financial assets and financial liabilities

Financial assets and financial liabilities include other receivables and other payables (including amounts owed to / by group undertakings).

The Company classifies its financial assets and financial liabilities in the following categories as loans, receivables or payables (including amounts owed by / to group undertakings). The classification is made by management at initial recognition and depends on the purpose for which the financial assets or financial liabilities were entered into.

Loans, receivables and payables are non-derivative financial assets or financial liabilities with fixed or determinable receipts or payments that are not quoted in an active market. Such financial assets or financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Any resulting interest is recognised in interest income or interest expense, as appropriate.

Recent Accounting Pronouncements adopted in the Current Period

The Company did not adopt any new International Financial Reporting Standards ('IFRSs') or interpretations ('IFRICs') issued by the International Accounting Standards Board ('IASB') during the year ended 31 December 2016 and no amendments to IFRSs or International Accounting Standards ('IASs') issued or adopted by the IASB had a significant effect on its financial statements.

WILLIS CORROON LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

2. Critical accounting judgements and estimates

The preparation of financial statements in conformity with FRS 101 and in the application of the Company's accounting policies, which are described in note 1, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the dates of the financial statements and the reported amounts of revenues and expenses during the year. Judgements, estimates and assumptions are made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and/or the key assumptions or sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of loans and receivables

Management judgement is required to assess at the end of each reporting period whether there is any objective evidence that loans and receivables are impaired and, if so, to determine the amount of any impairment loss. See note 9 for the carrying amount of loans and receivables. No impairment loss was recognised in 2016 or 2015.

3. Turnover

The table below analyses the Company's fees by the accounting address of the Group undertaking 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.

	2016 £m	2015 £m
Royalty Fees		
United Kingdom	27	30
North America	54	52
Rest of the world	9	9
Turnover	90	91

4. Operating profit

Auditor's remuneration of £3,000 (2015: £2,700) was borne by another Group company.

5. Employee costs

The Company employed no staff during the year (2015: none).

WILLIS CORROON LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

6. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2015: £nil).

	2016 £m	2015 £m
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7. Taxation

(a) Tax charged in the income statement

Current income tax:

UK corporation tax

Tax charge in the income statement

1	1
1	1

(b) Reconciliation of total tax charge

The tax assessed for the year is equal to (2015: equal to) to the standard rate of corporation tax in the UK 20% (2015: 20.25%).

(c) Change in corporation tax rate

The Finance Act 2013 set the rate of UK corporation tax at 20% with effect from 1 April 2015. The Finance Act 2015 maintained this rate for the year from 1 April 2016. The Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015 and received royal assent on 18 November 2015, reduced the rate to 19% with effect from 1 April 2017 with a further reduction to 18% from 1 April 2020. The Finance Act 2016 which received royal assent on 15 September 2016 subsequently reduced the main rate of corporation tax from 18% to 17% from 1 April 2020. As the changes were substantively enacted prior to 31 December 2016, they have been reflected in these financial statements.

	2016 £m	2015 £m
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8. Dividends paid and proposed

First interim paid 22 December 2016 (2015: £nil)

10	-
10	-

	2016 £m	2015 £m
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9. Debtors

Amounts falling due within one year:

Amounts owed by Group undertakings

39	29
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WILLIS CORROON LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016 £m	2015 £m
10. Creditors: amounts falling due within one year		
Amounts owed to Group undertaking	32	16
Amounts owed to Group undertaking in respect of corporation taxation group relief	1	1
	<u>33</u>	<u>17</u>

	2016 £	2015 £
11. Called up share capital		
Allotted, called up and fully paid		
2 (2015: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Related party transactions

FRS 101 (paragraph 8(k)) 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.

WILLIS CORROON LICENSING LIMITED

APPENDIX 1: MODERN SLAVERY ACT STATEMENT

MODERN SLAVERY ACT 2015

The Modern Slavery Act 2015 (the “Act”) came into force in March 2015 and has helped clearly define and codify offences relating to modern slavery and human trafficking.

This statement provides information about our business and how we have taken steps to investigate and mitigate the risk of modern slavery and human trafficking within our supply chain.

OUR APPROACH

Willis Corroon Licensing Limited is based in the UK as part of the Willis Towers Watson group of companies. Willis Corroon Licensing Limited collects royalty payments from wholly-owned subsidiary undertakings within the group to whom the use of certain trademarks has been sub-licensed. Willis Corroon Licensing Limited coordinates with Willis Towers Watson group companies to combat modern slavery and human trafficking.

Whilst we believe that the nature of our business as a provider of professional services to corporate clients means that we are not directly exposed to a high risk of modern slavery and human trafficking, we are nonetheless keenly aware that the possibility does exist within our global supply chains.

As part of the Willis Towers Watson group we are committed to maintaining and improving our practices to combat the human rights violations of slavery and human trafficking. We have therefore taken steps to identify and manage those areas in our supply chain where slavery and human trafficking are a possibility. Our goal is to minimise the risk wherever possible, and continually monitor and improve in our efforts.

We have taken a coordinated approach to tackling the risk of modern slavery in our business structure and have set up a cross-function working group to coordinate a group-wide approach to the matter.

POLICIES ON MODERN SLAVERY

We have a global Code of Conduct, also known as the Code of Business Conduct and Ethics. Our Code applies to all our staff. We are intending to launch training for staff on the Code and its key messages as part of an annual exercise. We review the Code regularly and are considering the extent to which we need to supplement its messages to include more details on modern slavery and human trafficking.

We are also in the process of amending our principles and approach to procurement and supplier on-boarding. Our proposed processes will focus on assessing and analysing the risk of modern slavery in relation to the supplier and any potential subcontractors. This approach, when it is finalised, is intended to apply to new supply contracts and renewals of existing contracts.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business and our supply chains, we have introduced training for key departments so that relevant employees are aware of the nature of the risks and what warning signs they should look for. During 2016 we brought in a leading London law firm to provide this training to key personnel in our Procurement, Compliance and Legal teams. The training focused on the offences under the Act, the reporting obligations for certain entities, general guidance on combating the risk of modern slavery and human trafficking, and some practical case studies.

We intend to review the need for additional or supplementary training during 2017.

WILLIS CORROON LICENSING LIMITED

APPENDIX 1: MODERN SLAVERY ACT STATEMENT (continued)

DUE DILIGENCE, ON-BOARDING AND MONITORING IN RELATION TO OUR SUPPLY CHAIN

The group has certain intra-group shared service suppliers located in countries considered to be of higher risk in the context of modern slavery and human trafficking. In addition to this, we have a multitude of smaller external suppliers located across the globe.

We have commenced investigations into our supply chain to ensure a standardised approach to assessing the risk of modern slavery and human trafficking. Although we are satisfied there is minimal risk, to ensure a coordinated approach going forward we are formulating standardised modern slavery and human trafficking requirements for our suppliers. To encourage compliance in our supply chain with our values, we expect all future external supply contracts to include appropriate provisions dealing with the risk of modern slavery.

To accompany these investigations, we are also reviewing our tender processes, and have formulated modern slavery enquiries to include within tender packs sent to prospective suppliers. These enquiries, alongside our existing due diligence processes, will help us to appropriately assess the modern slavery and human trafficking risk in relation to a potential supplier as part of our general consideration of their tender.


FUTURE DEVELOPMENTS

We intend to review and develop our anti-Modern Slavery policies, training and supplier approach as our business evolves.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 2016, and has been sent to the Board for approval, as reflected by the Director's signature below.

Rosemary Hammond-West

Name:



WILLIS CORROON LICENSING LIMITED

Date:

28 June 2017