

WILLIS OVERSEAS INVESTMENTS LIMITED

(Registered Number 3424226)

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 acts as an investment 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 £18 million (2010: £78 million) as shown in the profit and loss account on page 6. The profit for both the years represents income from the shares in an associate undertaking.

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

Interim dividends of £9 million and £9 million were paid on 30 September and 30 December respectively (2010: £78 million). 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.

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. 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 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

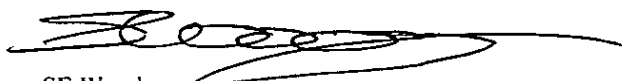
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's 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

18 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS OVERSEAS INVESTMENTS LIMITED

We have audited the financial statements of Willis Overseas Investments Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Movements in Shareholders' Funds and the related notes 1 to 13. 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

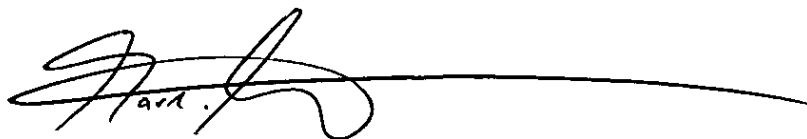
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS OVERSEAS INVESTMENTS 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

A handwritten signature in black ink, appearing to read 'Mark', followed by a long horizontal line extending to the right.

Mark McIlquham (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

19 June 2012

WILLIS OVERSEAS INVESTMENTS LIMITED**6****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £m	2010 £m
Turnover	2	18	78
Profit on ordinary activities before taxation		18	78
Tax charge on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		18	78

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 OVERSEAS INVESTMENTS LIMITED

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BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 £m	2010 £m
Fixed assets			
Investments	8	144	144
Current liabilities			
Creditors amounts falling due within one year	10	(64)	(64)
Net current liabilities		(64)	(64)
Net assets		80	80
Capital and reserves			
Called up share capital	11	80	80
Profit and loss account	12	-	-
Shareholders' funds		80	80

The financial statements of Willis Overseas Investments Limited, registered company number 3424226, were approved by the Board of Directors and authorised for issue on 18 June 2012 and signed on its behalf by



SE Wood
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	18	78
Dividends paid	(18)	(78)
Net movements in shareholders' funds for the year	-	-
Shareholders' funds at beginning of year	80	80
Shareholders' funds at end of year	80	80

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,
- while the Company has net current liabilities of £64 million (2010: £64 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 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.

Parent undertaking and controlling party

The Company's

- immediate parent company and controlling undertaking is Willis International 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 the associate undertaking is recognised when the associate undertaking has a legally binding obligation to make the distribution.

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 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

	2011 £m	2010 £m
Income from shares in associate undertaking		
Dividend received from Willis Europe BV	18	78

3. Operating profit

Auditors' remuneration of £2,600 (2010 £2,600) 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)

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

6 Tax on profit on ordinary activities	2011 £m	2010 £m
<i>(a) Analysis of charge for the year</i>		
Current tax:		
UK corporation tax on profit at 26.5% (2010: 28%)	-	-
Total current tax (note 6(b))	-	-
<i>(b) Factors affecting current tax for the year</i>		
The tax assessed for the year is lower (2010: lower) than the standard rate of corporation tax in the UK (26.5%) (2010: 28%). The differences are explained below:		
Profit on ordinary activities before taxation	18	78
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	5	22
Effects of intra-group dividends which are non-taxable	(5)	(22)
Current tax charge for the year (note 6(a))	-	-

(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 24% 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.

Proposed legislation to further reduce the rate of UK corporation tax to 24% with effect from 1 April 2013 and to 23% from 1 April 2014 was not substantively enacted by 31 December 2011. Consequently the impact of these further anticipated rate changes is not reflected in the tax provisions reported in these accounts.

7. Dividends paid	2011 £m	2010 £m
First interim paid 30 September (2010: 30 March 2010)	9	38
Second interim paid 30 December (2010: 17 December 2010)	9	15
Third interim paid (22 December 2010)	-	25
	18	78

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

8 Investments held as fixed assets

Associate
undertaking
£m

Cost and net book value

31 December 2010 and 31 December 2011

144

In the opinion of the Directors, the value of the shares in the associate undertaking is not less than the amount shown in the balance sheet

9. Shares in associate undertaking

The principal associate undertaking at 31 December 2011 was

	Percentage held	Country of incorporation
<i>Holding Company</i>		
Willis Europe BV	33.42%	Netherlands

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.

	2011 £m	2010 £m
10. Creditors: amounts falling due within one year		
Amounts owed to Group undertaking	64	64

	2011 £m	2010 £m
11. Called up share capital		
Allotted, called up and fully paid		
8,005,002 (2010: 8,005,002) ordinary shares of £10 each	80	80

WILLIS OVERSEAS INVESTMENTS LIMITED**13****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)**

12 Reserves and shareholders' funds	Share capital £m	Profit and loss account £m	Total £m
1 January 2011	80	-	80
Profit on ordinary activities after taxation	-	18	18
Dividends paid	-	(18)	(18)
31 December 2011	80	-	80

Profit and loss account reserves at 31 December 2011 were £74,000, (2010 £74,000)

13 Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between wholly-owned group companies. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.