

# **WILLIS CONSULTING LIMITED**

(Registered Number 3540139)

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **Directors**

RM Douglas  
JED Vickers

### **Secretary**

Willis Corporate Secretarial Services Limited

### **Registered Office**

51 Lime Street  
London EC3M 7DQ

### **Auditors**

Deloitte LLP  
London

THURSDAY



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30/09/2010  
COMPANIES HOUSE

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2009

**Principal activities and review of developments**

The Company ceased to trade with effect from 1 January 2009

Prior to that date the principal activity of the Company was that of advisors and consultants on all matters relating to risk for all types of insurance, reinsurance, industrial and other commercial undertakings

As required by FRS18 Accounting Policies, the Directors have not prepared the financial statements on a going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis.

The loss on ordinary activities after taxation amounted to £17k (2008 profit of £411k). The loss for the year was due largely to adverse foreign exchange movements on a US dollar denominated intercompany loan.

No interim dividend was paid during the year (2008 £nil). The Directors do not recommend the payment of a final dividend (2008 £nil).

**Enhanced Business Review**

The Directors' Report is not required to include an enhanced business review. Advantage has been taken of the provisions of Section 415A of the Companies Act 2006.

**Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. There were no 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 their annual report and the financial statements in accordance with applicable law and regulations for each financial year. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss 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 estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)**

**Disclosure of information to auditors**

Each current Director of the Company confirms that

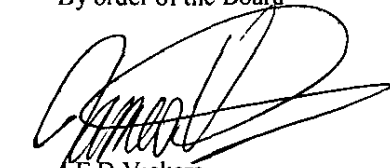
- so far as he is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish 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



J E D Vickers  
Director  
24<sup>th</sup> September 2010

51 Lime Street  
London EC3M 7DQ

We have audited the financial statements of Willis Consulting Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Movement 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 auditors' 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 Auditors**

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 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 (APB'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.

#### **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 2009 and of its loss 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.

#### **Emphasis of Matter**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

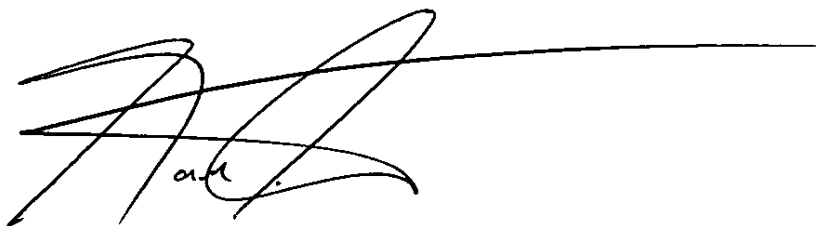
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Mark McIlquham (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London  
United Kingdom  
24 September 2010

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £000	2008 £000
Turnover	2	-	6,524
Operating expenses		(27)	(5,970)
<b>Operating (loss)/profit</b>	3	(27)	554
Interest receivable from group undertaking		4	23
<b>(Loss)/profit on ordinary activities before taxation</b>		(23)	577
Tax credit/(charge) on (loss)/profit on ordinary activities	6	6	(166)
<b>(Loss)/profit on ordinary activities after taxation</b>		(17)	411

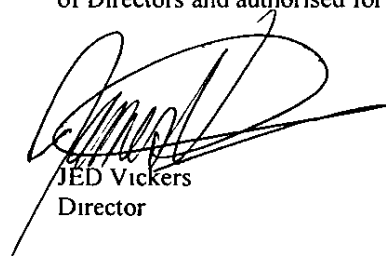
All activities derive from discontinued operations

There are no recognised gains or losses in either 2009 or 2008 other than the loss or profit for those years

**WILLIS CONSULTING LIMITED****7****BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	2009 £000	2008 £000
<b>Current assets</b>			
Debtors amounts falling due within one year	7	1,312	1,495
Deposits and cash		6	6
		<u>1,318</u>	<u>1,501</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	8	-	(166)
<b>Net assets</b>		<u>1,318</u>	<u>1,335</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	<u>1,318</u>	<u>1,335</u>
<b>Shareholders' funds</b>		<u>1,318</u>	<u>1,335</u>

The financial statements of Willis Consulting Limited, registered company number 3540139, were approved by the Board of Directors and authorised for issue on 24<sup>th</sup> September 2010 and signed on its behalf by



JED Vickers  
Director

## MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2009

<b>Movement in shareholders' funds</b>	<b>2009 £000</b>	<b>2008 £000</b>
(Loss)/profit on ordinary activities after taxation	(17)	411
Net movement in shareholders' funds for the year	(17)	411
Shareholders' funds at beginning of year	1,335	924
<b>Shareholders' funds at end of year</b>	<b>1,318</b>	<b>1,335</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009****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 Company ceased trading with effect from 1 January 2009. As required by FRS18 Accounting Policies, the financial statements have been prepared:

- on a basis other than as a going concern under the historical cost convention, and
- in accordance with applicable law and accounting standards in the United Kingdom

**Parent undertaking and controlling party**

The Company's

- immediate parent company and controlling undertaking is Willis Faber Limited, and
- ultimate parent and controlling company is Willis Group Holdings plc, a company incorporated in Ireland

Up to 30 December 2009 the Company's ultimate parent company was Willis Group Holdings Limited, a company incorporated in Bermuda. On 31 December 2009 the Group redomiciled its ultimate parent company to Ireland. As a result, Willis Group Holdings plc, a company incorporated in Ireland, replaced Willis Group Holdings Limited as the ultimate parent company.

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**

Turnover comprised fees for risk management and other services. Fees were recognised as the services were provided.

**Interest receivable from group undertakings**

Interest receivable is accounted for on an accruals basis.

**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.

**Pension costs**

Certain employees participated in Willis Group Holdings plc's UK defined benefit pension scheme. This scheme was closed to new entrants in January 2006. The staff working for the Company were employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings plc ('the Group').

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

## 1. Accounting policies (continued)

**Pension costs (continued)*****Defined benefit scheme***

A defined benefit scheme is a pension scheme that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation

The UK defined benefit scheme is funded, with the assets of the scheme held separately from those of the Company, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of Willis Limited's balance sheet.

As the Directors are unable to identify the Company's share of the scheme's underlying assets and liabilities, the Company recognises as its pension cost the contributions payable under the scheme during the year, as allowed by FRS17. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contribution rates are based on pension costs across the Group's UK companies as a whole.

***Defined contribution scheme***

A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The costs of the defined contribution scheme in which the Company participates are charged to the profit and loss account as part of employee costs in the period in which they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**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 a consolidated cash flow statement is prepared at Group level.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (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	2009 £000	2008 £000
United Kingdom	-	6,524

**3. Operating (loss)/profit**

Auditors' remuneration of £2,700 (2008: £2,700) was borne by another Group company.

**4 Employee costs**

	2009 £000	2008 £000
Salaries	-	1,481
Social security costs	-	141
Other pension costs	-	108
	-	1,730
	2009 Number	2008 Number
Number of employees – average for the period	-	28

In prior years the staff working for the Company were employed by other subsidiary undertakings of Willis Group Holdings plc. The Company bore the cost of the salaries, social security payments and pension contributions relating to such staff and reimbursed the employing company for the full amount of the costs incurred, as shown above.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

## 5. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2008 £nil)

6. Tax (credit)/charge on (loss)/profit on ordinary activities	2009 £000	2008 £000
<i>(a) Analysis of (credit)/charge for the year</i>		
Current tax		
UK corporation tax on (loss)/profit at 28% (2008 28.5%)	(6)	166
Current tax (credit)/charge on profit on ordinary activities (note 6(b))	(6)	166
<i>(b) Factors affecting tax charge for the year</i>		
The tax assessed for the year is equal to (2008 higher than) the standard rate of corporation tax in the UK (28%) (2008 28.5%). The differences are explained below		
(Loss)/profit on ordinary activities before taxation	(23)	577
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	(6)	164
Effects of		
Amounts not deductible for tax purposes	-	2
Current tax (credit)/charge for the year (note 6(a))	(6)	166

*(c) Circumstances affecting current and future tax charges*

Following the Finance Act 2007, the UK corporation tax rate changed from 30% to 28% on 1 April 2008

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

<b>7. Debtors</b>	<b>2009 £000</b>	<b>2008 £000</b>
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertakings	1,306	597
Amounts owed by Group undertaking in respect of group relief	6	-
Other debtors	-	388
Prepayments and accrued income	-	510
	<b>1,312</b>	<b>1,495</b>

<b>8. Creditors: amounts falling due within one year</b>	<b>2009 £000</b>	<b>2008 £000</b>
Amounts owed by Group undertaking in respect of group relief	-	166

<b>9. Called up share capital</b>	<b>2009 Number</b>	<b>2008 Number</b>
<b>Authorised share capital</b>		
Ordinary shares of £1 each	1,000	1,000
	<b>2009 £</b>	<b>2008 £</b>
<b>Allotted, called up and fully paid</b>		
2 (2008 2) ordinary shares of £1 each	2	2

<b>10. Reserves and shareholders' funds</b>	<b>Share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
1 January 2009	-	1,335	1,335
Loss on ordinary activities after taxation	-	(17)	(17)
31 December 2009	-	1,318	1,318

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

**11. Pensions*****Defined Benefit Scheme***

Certain employees of the Company were members of the Willis Pension Scheme in the United Kingdom ('the Scheme'), which is funded externally and is of the defined benefit type. The staff working for the Company were employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings plc. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contributions rates are based on pension costs across the Group's UK companies as a whole.

The most recent actuarial valuation of the Scheme was at 31 December 2007. The most recent actuarial valuation has been reviewed and updated as at 31 December 2009 to take account of the requirements of FRS17 'Retirement Benefits', in order to assess the liabilities of the Scheme at 31 December 2009.

The Directors consider that the share of the Scheme's underlying assets and liabilities attributable to the Company's employees cannot be separately identified as several Group companies participate in the Scheme. Accordingly all Scheme assets and liabilities are included on the balance sheet of Willis Limited. The Scheme showed an overall surplus after tax of \$72 million (£45 million) at 31 December 2009 compared with an overall surplus after tax of \$96 million (£66 million) at 31 December 2008. Company funded contributions were made at the rate of 14.8% of pensionable earnings in 2009 compared with 14.3% in 2008. In addition, the Scheme contributions increased to the rate of 8% in 2008 and remained at that level in 2009 for all employed members.

Full disclosures for the Scheme under FRS17 are included in the financial statements of Willis Limited.

The Scheme was closed to new members from 1 January 2006.

***Defined Contribution Scheme***

The Company operated a defined contribution scheme for new entrants from 1 January 2006 for which the pension cost charge for the year amounted to £nil (2008: £55,741).

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**12. Contingent liabilities**

The Company has given guarantees and indemnities to bankers and other third parties amounting to £82,000 (2008: £82,000).

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**13. 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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