TA I LIMITED

(Registered Number 3588080)

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

Directors

JJ Plumeri
GJ Millwater
SE Wood (appointed 31 July 2009)

Secretary

SK Bryant

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

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 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

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

There have been no significant changes in the Company's principal activities in 2009 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 $244 million (2008 $92 million) The increase is a result of higher levels of income from the Company's subsidiary undertaking partly offset by increased interest payable to subsidiary undertakings As shown in the profit and loss account on page 7, the Company reported an operating profit of $1 million for the year (2008 operating profit $nil) This increase is a result of favourable foreign exchange movements

Dividends

No interim dividends were paid during the year (2008 interim dividends of $50 million, $27 million, $30 million and $72 million were paid on 19 February 2008, 31 March 2008, 29 September 2008 and 19 December 2008 respectively) Final dividends of $34 million and $128 million were paid on 10 December 2009 and 17 December 2009 respectively (2008 $nil)

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year end Net assets have increased in the year by $82 million as the result of an increase of $167 million in amounts owed from subsidiary undertakings partly offset by an increase of $85 million in amounts owed to subsidiary 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 US dollars, 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 market risk from its investments in its subsidiary 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 No such event has been identified

Group risks, including those relating to this Company, are 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, 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 (2008 none)

Directors

The current Directors of the Company are shown on page 1, which forms part of this report MP Chitty and PC Regan resigned as Directors of the Company on 31 July 2009 and 19 February 2010 respectively SE Wood was appointed with effect from 31 July 2009 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 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 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 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

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

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

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

S K Bryant
Secretary
20th May 2010

51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TA I LIMITED

We have audited the financial statements of TA I 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 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 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 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 AUDITORS' REPORT TO THE MEMBERS OF TA I 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

David Rush (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom
28 May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 $m	2008 $m
Operating expenses – foreign exchange gain	2	1	-
Operating profit		1	-
Finance income, net	5	215	82
Profit on ordinary activities before taxation		216	82
Tax credit on profit on ordinary activities	6	28	10
Profit on ordinary activities after taxation		244	92

All activities derive from continuing operations

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

BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 $m	2008 $m
Fixed assets			
Investments	8	1,959	1,959
Current assets			
Debtors amounts falling due within one year	10	283	116
Current liabilities			
Creditors amounts falling due within one year	11	(572)	(312)
Net current liabilities		(289)	(196)
Total assets less current liabilities		1,670	1,763
Creditors amounts falling due after more than one year	12	(1,112)	(1,287)
Net assets		558	476
Capital and reserves			
Called up share capital	13	42	42
Share premium	14	377	377
Profit and loss account	14	139	57
Shareholders' funds		558	476

The financial statements of TA I Limited, registered company number 3588080, were approved by the Board of Directors and authorised for issue on 20th May 2010 and signed on its behalf by

SE Wood
Director

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

Movement in shareholders' funds	2009 $m	2008 $m
Profit on ordinary activities after taxation	**244**	92
Dividends paid	**(162)**	(179)
New ordinary shares issued	**-**	387
Net movement in shareholders' funds for the year	**82**	300
Shareholders' funds at beginning of year	**476**	176
Shareholders' funds at end of year	**558**	476

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 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 trading companies in the Willis Group, and

- while the Company has net current liabilities of $289 million (2008 $196 million), $289 million (2008 $196 million) of this is attributable to a net intercompany creditor If this were to require settlement, 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 Investment UK Holdings Limited, and
- ultimate parent 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

In accordance with Section 401 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

1. **Accounting policies (continued)**

Finance income

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

Income from shares in subsidiary undertakings is accounted for on a received basis

Foreign currency translation

These financial statements are presented in US dollars 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 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 a consolidated cash flow statement is prepared at Group level

2. **Operating profit**

Auditors' remuneration of £2,700 ($4,200) (2008 £2,700 ($5,000)) was borne by another Group company

3 **Employee costs**

The Company employed no staff during the year (2008 none)

4. **Directors' remuneration**

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

5. Finance income, net	2009 $m	2008 $m
Interest and investment income		
Income from shares in subsidiary undertakings	312	129
Interest payable and similar charges		
Interest payable to Group undertakings	(97)	(47)
Finance income, net	215	82

6. Tax credit on profit on ordinary activities	2009 $m	2008 $m
(a) Analysis of credit for the year		
Current tax		
UK corporation tax on profit at 28% (2008 28 5%)	(28)	(10)
Current tax credit on profit on ordinary activities (note 6(b))	(28)	(10)
(b) Factors affecting tax credit for the year		
The tax assessed for the year is lower (2008 lower) than the standard rate of corporation tax in the UK (28%) (2008 28 5%) The differences are explained below		
Profit on ordinary activities before taxation	216	82
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28 5%)	60	23
Effects of		
Intra-group dividends which are non-taxable	(87)	(37)
Other including effect of exchange rates	(1)	4
Total current tax credit for the year (note 6(a))	(28)	(10)

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

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)

7. Dividends paid	2009 $m	2008 $m
First interim paid 19 February 2008	-	50
Second interim paid 31 March 2008	-	27
Third interim paid 29 September 2008	-	30
Fourth interim paid 19 December 2008	-	72
Final dividend paid 10 December 2009	34	-
Final dividend paid 17 December 2009	128	-
	162	179

8. Investments held as fixed assets	Subsidiary undertakings $m
Cost and net book value	
At 1 January 2009 and 31 December 2009	1,959

9. Shares in subsidiary undertakings

The principal subsidiary undertakings at 31 December 2009 were

	Percentage of share capital held	Class of share	Country of incorporation
Insurance Broking			
Willis Limited	100%	Ordinary of £1 each	United Kingdom
Holding Company			
TA II Limited*	100%	Ordinary of 10p each	United Kingdom
Hilb, Rogal & Hobbs UK Holdings Limited *	100%	Ordinary of £1 each	United Kingdom
Willis Group Limited	100%	Ordinary of 12 5p each Ordinary of $1 each	United Kingdom
Willis North America Inc	100%	Common	USA
Willis Europe BV	100%	Ordinary of €454 each	Netherlands
Willis International Limited	100%	Ordinary of £1 each	United Kingdom
Willis Faber Limited	100%	Ordinary of £1 each	United Kingdom
Management Services Company			
Willis Group Services Limited	100%	Ordinary of £1 each	United Kingdom

* Owned directly by TA I Limited, all other undertakings are indirectly held All undertakings operate principally in the country of their incorporation

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

9. Shares in subsidiary undertakings (continued)

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 401 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

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

10 Debtors	**2009 $m**	2008 $m
Amounts falling due within one year:		
Amounts owed by Group undertakings	**255**	105
Amounts owed by Group undertakings in respect of group relief	**28**	11
	283	116

11. Creditors: amounts falling due within one year	**2009 $m**	2008 $m
Amounts owed to Group undertakings	**572**	312

Included within the amounts falling due within one year is an interest bearing loan from Willis UK Investments Limited of $175 million (2008 $nil) This is repayable on 15 July 2010, further details are shown in note 12

12 Creditors: amounts falling due after more than one year	2009 $m	2008 $m
Amounts owed to Group undertakings	1,112	1,287

The amount due after more than one year represents an interest bearing loan from Willis UK Investments Limited of $246 million (2008 $421 million) and the following interest bearing loans which commenced on 1 October 2008

- Willis Investment UK Holdings Ltd ($400 million)
- Willis North America Inc ($392 million)
- Hermes Acquisition Corporation ($74 million)

Interest is payable on the loan with Willis UK Investments Limited at LIBOR plus a margin of between 1 10% and 1 55% per annum The loan is repayable in two instalments, $175 million is repayable on 15 July 2010 and $246 million is repayable on 15 July 2015

Interest is payable on the loan with Willis Investment UK Holdings Ltd at 8% per annum On 31 December in each year interest shall be added to the principal amount and the aggregate of the principal amount and any such accrued interest shall continue to accrue interest until repayment of the loan The loan is repayable on 1 October 2018

Interest is payable on the principal amount of the loan with Willis North America Inc at 8% per annum Interest is payable semi-annually on each 1 October and 1 April commencing on 1 April 2009 The loan is repayable on 1 October 2018

Interest is payable on the loan with Hermes Acquisition Corporation at 8% per annum On 31 December in each year interest shall be added to the principal amount and the aggregate of the principal amount and any such accrued interest shall continue to accrue interest until repayment of the loan The loan is repayable on 1 October 2018

13. Called up share capital	2009 Number (million)	2008 Number (million)
Authorised share capital		
Ordinary shares of 10 pence each	4,000	4,000
Ordinary shares of $1 each	10	10
	4,010	4,010

	2009 $m	2008 $m
Allotted, called up and fully paid		
207,473,260 (2008 207,473,260) ordinary shares of 10 pence each	32	32
10,000,000 (2008 10,000,000) ordinary shares of $1 each	10	10
	42	42

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

14. Reserves and shareholders' funds	Share capital $m	Share premium $m	Profit and loss account $m	Total $m
1 January 2009	42	377	57	476
Profit on ordinary activities after taxation	-	-	244	244
Dividends paid	-	-	(162)	(162)
31 December 2009	42	377	139	558

15. Contingent liabilities

The Company guarantees, on a joint and several basis with certain fellow subsidiary undertakings of Willis Group Holdings plc and Willis Group Holdings plc itself, the following debt securities issued by Willis North America Inc , also a fellow subsidiary undertaking of Willis Group Holdings plc

$90 million 5 125% Senior Notes due 2010
$350 million 5 625% Senior Notes due 2015
$600 million 6 200% Senior Notes due 2017
$300 million 7 000% Senior Notes due 2019

The Company is a guarantor, on a joint and several basis, with certain fellow subsidiary undertakings of Willis Group Holdings plc and Willis Group Holdings plc itself, of $500 million of debt securities issued by Trinity Acquisition plc under a Note Purchase Agreement with Goldman Sachs Mezzanine Partners on 6 March 2009 Trinity Acquisition plc is also a fellow subsidiary undertaking of Willis Group Holdings plc

In addition the Company is a guarantor, on a joint and several basis, with certain fellow subsidiary undertakings of Willis Group Holdings plc and Willis Group Holdings plc itself, of a $700 million five-year term loan facility, which bears interest at LIBOR plus 2 250%

16. 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