

## **OPUS HOLDINGS LIMITED**

(Registered Number 3625614)

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

#### **Directors**

Willis Corporate Director Services Limited  
Willis Corporate Secretarial Services Limited  
SK Bryant (appointed 22 September 2008)

#### **Secretary**

SK Bryant

#### **Registered Office**

51 Lime Street  
London EC3M 7DQ

#### **Auditors**

Deloitte LLP  
London

TUESDAY



A30

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28/07/2009

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2008.

**Principal activities and review of developments**

The Company acts as a holding company and is a subsidiary of Willis Group Holdings Limited ('the Group'), which 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.

The loss on ordinary activities after taxation amounted to £1,148k (2007: profit of £12,860k).

The Directors do not anticipate any changes in the Company's position for the foreseeable future.

No interim dividend was paid during the year (2007: £nil). The Directors do not recommend payment of a final dividend (2007: £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 246 (4) (a) of the Companies Act 1985 (as amended).

**Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. SK Bryant was appointed as a Director of the Company with effect from 22 September 2008. 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 1985. 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 2008 (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 1985) 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 234ZA of the Companies Act 1985.

**Auditors**

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term.

By order of the Board



SK Bryant  
Secretary  
17<sup>th</sup> July 2009

51 Lime Street  
London EC3M 7DQ

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPUS HOLDINGS LIMITED**

We have audited the financial statements of Opus Holdings Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements therein.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPUS HOLDINGS LIMITED**  
(continued)

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP  
Chartered Accountants and Registered Auditors  
London  
United Kingdom

23 July 2009

**OPUS HOLDINGS LIMITED****6****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
Finance (charge)/income, net	5	(1,148)	12,860
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(1,148)</b>	<b>12,860</b>
Tax charge on (loss)/profit on ordinary activities	6	-	-
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(1,148)</b>	<b>12,860</b>

All activities derive from continuing operations.

**RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008**

There are no recognised gains or losses in either 2008 or 2007 other than the (loss)/profit for those years.

**OPUS HOLDINGS LIMITED**

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**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
<b>Fixed assets</b>			
Investments	7	1,666	1,666
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	9	15,849	15,796
Amounts falling due after one year	9	189	242
		16,038	16,038
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(14,782)	(13,634)
<b>Net current assets</b>		1,256	2,404
<b>Total assets less current liabilities</b>		2,922	4,070
Provisions for liabilities	12	(457)	(457)
<b>Net assets</b>		2,465	3,613
<b>Capital and reserves</b>			
Called up share capital	13	52	52
Share premium	14	1,379	1,379
Profit and loss account	14	1,034	2,182
<b>Shareholders' funds</b>		2,465	3,613

The financial statements were approved by the Board of Directors and authorised for issue on 17<sup>th</sup> July 2009 and signed on its behalf by:



SK Bryant,  
Authorised Signatory of  
Willis Corporate Director Services Limited  
Director

**MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
<b>Movement in shareholders' funds</b>	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities after taxation	<b>(1,148)</b>	<b>12,860</b>
Net movement in shareholders' funds for the year	<b>(1,148)</b>	<b>12,860</b>
Shareholders' funds / (deficit) at beginning of year	<b>3,613</b>	<b>(9,247)</b>
<b>Shareholders' funds at end of year</b>	<b>2,465</b>	<b>3,613</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008****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. For this reason, they 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 Faber Limited; and
- ultimate parent and controlling company is Willis Group Holdings Limited, a company incorporated in Bermuda.

In accordance with Section 228A of the Companies Act 1985 (as amended), 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 Limited, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ.

**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.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more or less tax, at a future date, at rates expected to apply when they reverse based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**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 2008 (continued)

2. Auditors' remuneration

Auditors' remuneration of £2,700 (2007: £2,700) was borne by another Group company.

3. Employee costs

The Company employed no staff during the year (2007: none).

4. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2007: £nil).

5. Finance (charge)/income, net	2008 £000	2007 £000
<i>Interest and investment income</i>		
Income from shares in subsidiary undertakings	-	13,918
<i>Interest payable and similar charges</i>		
Preference dividend payable – 8.5054% cumulative preference shares	(733)	(733)
Interest payable on unpaid cumulative preference dividend	(415)	(325)
	(1,148)	(1,058)
Finance (charge)/income, net	(1,148)	12,860

6. Tax credit on (loss)/profit on ordinary activities	2008 £000	2007 £000
<i>(a) Analysis of credit for the year</i>		
Current tax:		
UK corporation tax on profit at 28.5% (2007: 30%)	(53)	(86)
Current tax credit on (loss)/profit on ordinary activities (note 6(b))	(53)	(86)
Deferred tax:		
Origination and reversal of timing differences	53	86
Total deferred tax (note 10)	53	86
Tax credit on (loss)/profit on ordinary activities	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

## 6. Tax credit on (loss)/profit on ordinary activities (continued)

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

	2008 £000	2007 £000
The tax assessed for the year is higher (2007: lower) than the standard rate of corporation tax in the UK (28.5%) (2007:30%). The differences are explained below:		
(Loss)/profit on ordinary activities before tax	(1,148)	12,860
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(327)	3,858
Effects of:		
Movements in short term timing differences	(53)	(86)
Amounts not-deductible for tax purposes	327	317
Intra-group dividends which are non-taxable	-	(4,175)
Current tax credit for the year (note 6(a))	(53)	(86)

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

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

## 7. Investments held as fixed assets

Subsidiary  
undertakings  
£000

Cost and net book value 1 January 2008 and 31 December 2008

1,666

## 8. Shares in subsidiary undertakings

The principal subsidiary undertakings at 31 December 2008 were:

	Total capital and reserves as at 31 December 2008* £000	Profit/(loss) on ordinary activities after taxation for the year ended 31 December 2008* £000	Percentage of share capital held	Class of share
<i>Non-trading subsidiaries</i>				
Opus Insurance Services Limited	1,541	-	100%	Ordinary of £1 each
Opus London Market Limited	125	-	100%	Ordinary of £1 each

\* This financial information is unaudited.

Both of the above subsidiary undertakings are incorporated in Great Britain and no longer trade. Previously both companies were engaged in insurance broking and risk management consultancy.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

## 8. Shares in subsidiary undertakings (continued)

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 228A of the Companies Act 1985 (as amended) as the Company is a wholly-owned subsidiary of Willis Group Holdings Limited, 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.

	2008 £000	2007 £000
<b>9. Debtors</b>		
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertakings	15,796	15,710
Corporation tax	53	86
	<u>15,849</u>	<u>15,796</u>
<i>Amounts falling due after more than one year:</i>		
Deferred tax asset (note 10)	189	242
	<u>16,038</u>	<u>16,038</u>

	2008 £000	2007 £000
<b>10. Deferred tax</b>		
<i>Deferred tax has been provided in full in respect of assets/liabilities arising from the following timing differences:</i>		
Capital allowances	189	242
At 1 January	242	328
Deferred tax charge in profit and loss account (note 6 (a))	(53)	(86)
At 31 December	<u>189</u>	<u>242</u>

Deferred tax assets have been recognised to the extent they are regarded as more likely than not as being recoverable either against the Company's own future profits or by way of group relief against those future profits of fellow UK Group companies. Deferred taxation recoverable and the potential recovery, including the amounts for which provision has been made, are as follows:

	2008 Provision for recovery £000	2007 Provision for recovery £000	2008 Full potential recovery £000	2007 Full potential recovery £000
Capital allowances not utilised	189	242	189	242
Tax losses	-	-	1,387	1,387
	<u>189</u>	<u>242</u>	<u>1,576</u>	<u>1,629</u>

The Company continues not to recognise deferred tax on its losses given the restrictions under UK tax legislation that govern their utilisation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

11. Creditors: amounts falling due within one year	2008 £000	2007 £000
Amounts due to preference shareholders (cumulative dividend)	6,022	4,874
Amounts due to preference shareholders (excludes cumulative dividend)		
1,315,000 preferred ordinary shares of 10 pence each and 8,621,495 preference shares of 1 pence each (note 13)	8,760	8,760
	<u>14,782</u>	<u>13,634</u>

Disclosures regarding the rights of the preference shareholders are detailed in note 13 to the accounts.

12. Provisions for liabilities	Total £000
1 January 2008 & 31 December 2008	<u>457</u>

The provision is in respect of estimates for liabilities that may arise from actual and potential claims for errors and omissions (£184,000) and for commissions over-booked (£273,000).

13. Called up share capital	2008 Number (thousand)	2007 Number (thousand)
<b>Authorised share capital</b>		
Ordinary shares of 10 pence each	537	537
Ordinary preference shares of 10 pence each	1,315	1,315
Preference shares of 1 pence each	12,718	12,718

	2008 £000	2007 £000
<b>Allotted, called up and fully paid</b>		
526,120 (2007: 526,120) ordinary shares of 10p each	<u>52</u>	<u>52</u>
1,315,000 (2007: 1,315,000) ordinary preference shares of 10 pence each	132	132
8,621,495 (2007: 8,621,495) preference shares of 1 pence each	<u>86</u>	<u>86</u>

The preference shares are presented as a liability (see note 11) and accordingly are excluded from called up share capital in the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

## 13. Called up share capital (continued)

*Dividend rights*

The rights and restrictions as regards the dividend rights attaching to the preference shares, preferred ordinary shares and ordinary shares are as follows:

1. The preference shares became redeemable on 28 February 2007 at 100% of their issue price and entitle each holder to a fixed cumulative preference dividend of 1.4046 pence per share on 30 September 2002 and thereafter, to a fixed cumulative preference dividend of 8.5054 pence per share per annum. The preference share dividends are payable in equal amounts on 31 March and 30 September in each year.
2. To the extent that there are sufficient profits available for distribution, each preference dividend shall not be paid to the relevant holders of the preference shares on the dates referred to above, but instead on those same dates the Company shall issue to the relevant holders of preference shares one further preference share in satisfaction of each £1 of preference dividend due.
3. If the Company is unable to pay in full on the due date any preference dividend by reason of insufficient available profits, then the unpaid amount shall be rolled up and paid to the holders of any preference shares which are redeemed or repaid on the date on which those preference shares are redeemed or repaid, or if sooner, when available profits become sufficient. The unpaid amount shall carry interest at 8.5054% per annum and shall accumulate and form part of the preference share dividend to which it relates on 31 March and 30 September in each year.
4. Where, by reason of the Company having had insufficient available profits, it is in arrears with the payment of dividends, the first available profits arising thereafter shall be applied in the following order of priority:
  - (a) first, in paying off all accruals and/or unpaid amounts of preference dividend; and
  - (b) second, in or towards redeeming all preference shares that have not been redeemed on or by the due date for redemption.
5. Any available profits that the Company may determine to distribute, after having paid all amounts due to the preference shareholders as described above, shall be distributed to the holders of the preferred ordinary and ordinary shares (*pari passu* as if the same constituted one class of share) according to the amount paid up or credited as paid up on each share.

*Return of capital rights*

On a return of capital on liquidation or otherwise (except on the redemption of shares of any class or the purchase by the Company of its own shares) the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

1. first in paying to each holder of preference shares in respect of each preference share held, an amount equal to (a) 100% of the issue price thereof and (b) the aggregate amount of any accruals and/or unpaid amounts of preference dividend (and to be payable irrespective of whether such dividend would be unlawful by reason of there being insufficient available profits);
2. second, in paying to each holder of preferred ordinary shares in respect of each preferred ordinary share held, an amount equal to the issue price thereof;
3. third, in paying to each holder of ordinary shares in respect of each ordinary share held, an amount equal to the issue price thereof; and
4. the balance of such assets (if any) shall be distributed amongst the holders of the preferred ordinary and the ordinary shares (*pari passu* as if the same constituted one class of share) in proportion to the number of shares held by them respectively.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

## 13. Called up share capital (continued)

*Voting rights*

On a show of hands or on a poll, every member holding one or more preferred ordinary shares or one or more ordinary shares shall have one vote.

The voting rights attaching to the preferred ordinary shares shall be enhanced on a poll to five votes for each preferred ordinary share in the event of the following if at any time:

1. The Company has failed to redeem any preference shares within 20 business days of the due date;
2. There has been proposed a resolution for the winding up of the Company, a resolution for a reduction in the capital of the Company or a resolution varying any of the rights attaching to the preferred ordinary shares;
3. The Company is in material breach of its Articles of Association or of any agreement to which it and each of its members is a party; or
4. The Company and/or its subsidiaries or any of them is in material breach of any of the terms on which banking facilities or bank loans have been made available to the Group.

The enhanced voting provisions attaching to the preferred ordinary shares shall continue until due payment has been made of all outstanding sums due to holders of the preference shares and in the case of a breach of the articles of association, for as long as such breach subsists.

If at any time the Group is in breach of the covenants or provisions of any banking or other financing facilities to which it is a party, and if the holders of a majority in number of the preferred ordinary shares reasonably determines that it shall be necessary to effect a refinancing or reconstruction of the Group or any group company in order to remedy such breach, then the holders of the ordinary shares shall exercise votes attaching to the ordinary shares at any general meeting or separate class meeting in such manner as they shall be directed by the holders of a majority in number of the preferred ordinary shares.

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14. Reserves and shareholders' capital	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
1 January 2008	52	1,379	2,182	3,613
Loss on ordinary activities after taxation	-	-	(1,148)	(1,148)
31 December 2008	52	1,379	1,034	2,465

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## 15. Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between Group companies in the financial statements of companies 90% or more of whose voting rights are controlled within the Group. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.

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