WILLIS EMPLOYEE BENEFITS LIMITED

Registered Number 5641509

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Directors

Executive Directors
NP Perry
I Rinck (appointed 5 November 2015)
K Newman (appointed 29 April 2016)

Registered Office

51 Lime Street
London, EC3M 7DQ

Auditor

Deloitte LLP
London

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WILLIS EMPLOYEE BENEFITS LIMITED

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WILLIS EMPLOYEE BENEFITS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Company activities and review of developments

The Company provides employee benefits services including the design, implementation, communication and administration of employee benefit programmes Benefits programmes include pension schemes, group death in service, income protection, private medical insurance, total reward strategies and absence management

The Company is a subsidiary of Willis Towers Watson plc (formerly Willis Group Holdings plc) Willis Towers Watson plc (formerly Willis Group Holdings plc), together with its subsidiaries ("the Group"), is one of the world's leading professional service providers of risk management, insurance broking, consultancy, technology and solutions and private exchange services The Company is regulated by the Financial Conduct Authority ("FCA")

There have been no significant changes in the Company's principal activities in 2015 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 £183,000 (2014 profit of £622,000) as shown in the profit and loss account on page 11 The decrease in profit is attributable to

- £756,000 increase in operating expenses, due to staff costs, and
- £4,000 increase in foreign exchange loss,

partly offset by

- £198,000 increase in turnover, and
- £123,000 reduction in tax charge

Balance sheet

The balance sheet on page 12 of the financial statements shows the Company's financial position at the year end Net assets have increased by £183,000 reflecting the Company's profit after tax in the year

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

Operational improvement program

In April 2014, the Group announced an operational improvement program that would allow the Group to continue to strengthen its client service, realise operational efficiencies, and invest in new capabilities for growth

The main elements of the program include the following

- movement of support roles from higher cost locations to Willis facilities in lower cost locations, bringing the ratio of employees in higher cost versus lower cost near-shore and off-shore centres from approximately 80 20 to approximately 60 40,
- net workforce reductions in support positions,
- lease consolidation in real estate and reductions in ratios of seats per employee and square footage of floor space per employee, and
- information technology systems simplification and rationalisation

The program began in the second quarter of 2014 and is expected to be complete by the end of 2017 The Company may be affected by the Group's plan During 2015, the Company incurred no costs in relation to the program

Principal risks and uncertainties

The Board considers the risks and uncertainties on a periodic basis including assessment of risk appetite and monitoring of risk against that appetite

The principal risks and uncertainties facing the Company are

Change Risk

The Group and Company's strategic plans which reflect the outcome of the merger of Willis and Towers Watson, as well as changes in the insurance broking and risk management advisory market, will all require significant change in the Company's organisation and operations These changes may result in dissatisfaction of our employees resulting in a reduction in client service levels leading to higher rates of client loss and lower levels of new business It may also result in the resignation of key client service staff and new business producers which may lead to lower levels of revenue than planned The Company manages this risk through robust change governance processes, mechanisms to retain key employees, the delivery of planned operational improvement program benefits and through ongoing monitoring of key performance indicators designed to provide early notice of declining performance

Exposure to the Group

The Company is a wholly-owned subsidiary of the Group The Group is a leading global advisory, broking and solutions company, is listed on the NASDAQ and has net assets at 31 December 2015 of $2 4 billion

The Company is also dependent upon its ultimate parent company and the Group for ongoing support in a wide range of areas, including the provision of operational and technology services and delivery of a number of key projects and initiatives The Company also deposits surplus funds with the Group The Directors expect the support from the Group to continue for the foreseeable future

Regulatory, Legal and Conduct Risk

The Company is subject to regulation from the Financial Conduct Authority (FCA) in relation to its insurance mediation activities The FCA has prescribed principles for business and rules by which the Company's insurance and reinsurance operations are to conduct business, including the rules governing how the Company holds client assets The FCA has a wide range of rule-making, investigatory and enforcement powers aimed at meeting its statutory objective of ensuring that the relevant markets function well

The regulator has three operational objectives

- Promoting effective competition in the interests of consumers,
- Securing an appropriate degree of protection for consumers, and
- Protecting and enhancing the integrity of the UK financial system

Central to the regulator's agenda is 'Conduct Risk', which is the risk that a firm's behaviour will result in poor outcomes for customers and adversely impact on the integrity of the market The Company's failure, or that of its employees, to satisfy the FCA that it is in compliance with their requirements or the legal requirements governing its activities, can result in disciplinary actions, fines, reputational damage and financial harm We continue to focus on Conduct Risk through the review of appropriate metrics and taking appropriate action as necessary

The Company is also subject to rules and legislation governing money laundering, bribery and corruption, sanctions and competition The Company has established its procedures to ensure that it is in compliance with these rules However, should the Company fail to comply with the requirements, this failure may result in disciplinary actions, fines, reputational damage and financial harm These rules and legislation impact the Company's global operations From time to time the rules and legislation are subject to change which may impact the Company's operations

To mitigate these risks the Company's Legal, Risk and Compliance departments have established a framework to ensure compliance with all regulatory requirements which include detailed guidance on the standards to which employees must adhere Reviews and audits of compliance with this guidance are carried out on a regular basis by both Compliance and Internal Audit

Principal risks and uncertainties (continued)

Currency Risk (Fx)

The Company earns its brokerage and fees in various currencies other than pounds sterling, its functional currency, and is therefore exposed to movement in exchange rates The Group's treasury function manages this risk at a Group level

Credit Risk

Credit risk is the risk that counterparties may not be able to repay amounts in full when due This risk arises in respect of amounts due from clients and insurers in respect of commissions and fees not yet received It also arises in respect of cash

Commissions and fees not yet received are monitored closely to minimise the time taken to collect

Data Security Risk

Computer viruses, hackers and other external hazards, as well as improper or inadvertent staff behaviour could expose confidential company and personal data systems to security breaches Additionally, one of our significant responsibilities is to maintain the security and privacy of our clients' confidential and proprietary information and the personal data of their employees These increased risks, and expanding regulatory requirements regarding data security, could expose us to data loss, monetary and reputational damages and significant increases in compliance costs

With respect to our commercial arrangements with third-party vendors, we have processes designed to require third-party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to the storage, protection and transfer of confidential, personal and proprietary information However, we remain at risk of a data breach due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's data protection processes, or a cyber-attack on a vendor's information systems

From time to time we experience data incidents, resulting from human error as well as attempts at unauthorised access to our systems, which to date have not had a material impact on our business, operations or clients

We maintain policies, procedures and technological safeguards designed to protect the security and privacy of this information However, we cannot entirely eliminate the risk of data security breaches, improper access to or disclosure of confidential company or personally identifiable information Our technology may fail to adequately secure the private information we hold and protect it from theft, computer viruses, hackers or inadvertent loss In such circumstances, we may be held liable to our clients, which could result in legal liability or impairment to our reputation resulting in increased costs or loss of revenue

Political Risk

On 23 June 2016 there was a referendum in the UK to consider the UK's continuing membership of the European Union (the "EU") The outcome of this vote was a decision to leave the EU and adopt an as yet unknown relationship with the EU The implications of the exit from the EU are not clear but may impact the Company's ability to operate in some European markets with potential adverse impacts on the Company's profitability and cash flow These potential adverse impacts are likely to be realised over a period of years and it is not anticipated that there will be any immediate regulatory or policy change

Environment

The Group recognises the importance of its environmental responsibilities and 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

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 18

The Company is committed to the participation and involvement of employees in the Group's business and to facilitating their personal development to its maximum potential

Communication with employees concerning the objectives and performance of the Group is conducted through staff briefings and regular meetings, complemented by employee publications and video presentations Feedback is continually sought from staff on a variety of business, management and human resources issues These communication tools provide employees with the opportunity to contribute to the everyday running of the business and to support the achievement of the Group's vision and business strategy

By Order of the Board

NP Perry
Director
51 Lime Street
London EC3M 7DQ

WILLIS EMPLOYEE BENEFITS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2015

Strategic report

The Directors have approved the content of the Company's strategic report prepared in accordance with Section 414C 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 2015, along with the principal risks faced in achieving its future objectives

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 14

Dividends

No interim dividend was paid in the year (2014 £nil) The Directors do not recommend the payment of a final dividend (2014 £nil)

Events after the balance sheet date

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

The Company is not directly affected by this merger

Employees

It is the Group's policy, in keeping with the legislation in the countries in which it operates, to provide a working environment free from all forms of harassment and discrimination, including discrimination against disabled employees, with respect to employment continuity, training, career development and other employment practices

Directors

The current Directors of the Company are shown on page 1, which forms part of this report P Owens and A Powis resigned as Directors of the Company on 11 November 2015 and 24 February 2016 respectively I Rinck and K Newman were appointed with effect from 5 November 2015 and 29 April 2016 respectively 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 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

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 he/she ought to have taken as a Director in order to make himself/herself 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

Neil Perry

NP Perry
Director
51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS EMPLOYEE BENEFITS LIMITED

We have audited the financial statements of Willis Employee Benefits Limited for the year ended 31 December 2015 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14 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 2015 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 EMPLOYEE BENEFITS 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

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

27 September 2011

WILLIS EMPLOYEE BENEFITS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
Turnover	3	**4,334**	4,136
Operating expenses		**(4,090)**	(3,334)
Operating expense – foreign exchange loss		**(12)**	(8)
Operating profit and profit on ordinary activities before taxation	4	**232**	794
Tax charge on profit on ordinary activities	7	**(49)**	(172)
Profit for the year		**183**	622

All activities derive from continuing operations

There is no other comprehensive income in either 2015 or 2014

WILLIS EMPLOYEE BENEFITS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
Current assets			
Debtors amounts fallıng due wıthın one year	8	849	1,669
Deposıts and cash		1,357	564
		2,206	2,233
Current lıabılıtıes			
Credıtors amounts fallıng due wıthın one year	9	(339)	(549)
Total assets less current lıabılıtıes		1,867	1,684
Net assets		1,867	1,684
Equıty			
Called up share capıtal	10	13	13
Share premıum		297	297
Retaıned earnıngs		1,557	1,374
Shareholder's equıty		1,867	1,684

The financıal statements of Wıllıs Employee Benefits Lımıted, regıstered company number 5641509, were approved by the Board of Dırectors and authorısed for ıssue on 23 September 2016 and sıgned on ıts behalf by

I Rınck
Dırector

WILLIS EMPLOYEE BENEFITS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £000	Share Premium account £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014	13	297	752	1,062
Profit for the year	-	-	622	622
Total comprehensive income for the year	-	-	622	622
Balance at 31 December 2014	**13**	**297**	**1,374**	**1,684**
Profit for the year	-	-	183	183
Total comprehensive income for the year	-	-	183	183
Balance at 31 December 2015	**13**	**297**	**1,557**	**1,867**

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 the certain disclosure exemptions permitted under FRS 101, primarily in relation to (i) financial instruments, (ii) presentation of a cash flow statement, and (iii) related party transactions as, where required, equivalent disclosures are given in the group accounts of Willis Towers Watson plc (formerly Willis Group Holdings 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 Company's financial projections indicate that it will generate positive cash flows on its own account for the foreseeable future The Company deposits its excess own cash funds with the Group's centralised treasury function and so shares banking arrangements with its parent and fellow subsidiaries

In accordance with their duties set out in the Financial Services and Markets Act and the FCA's 'Threshold Condition 2 4 - Appropriate Resources' the Directors have conducted enquiries into the nature and quality of the assets, liabilities, and cash 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 (formerly 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 Towers Watson plc (formerly 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)

Revenue recognition

Revenue principally comprises commissions and fees for services rendered Commissions and fees negotiated are recognised at the later of policy inception date or when the policy placement is complete Other consulting fees are recognised as earned

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

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

Pension costs

The Group has a defined benefit pension scheme and a defined contribution pension scheme The defined benefit scheme was closed to new entrants in January 2006 New employees are now offered the opportunity to join the defined contribution scheme

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

Certain employees of the Company participate in a Group defined benefit pension plan As there is no contractual agreement or stated policy for charging the net defined benefit pension expense between group companies, the Company recognises as its pension cost the contributions payable under the scheme during the year Such costs are charged to the profit and loss account as part of the employee costs in the period in which they fall due The pension cost to the Company is based on the contribution rates assessed in accordance with actuarial advice 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

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

1 Accounting policies (continued)

Financial assets and financial liabilities

Financial assets and financial liabilities include cash and cash equivalents, trade debtors and other receivables as well as trade creditors and other payables (including amounts owed to/by group undertakings)

The Company classifies its financial assets and financial liabilities at fair value through profit and loss 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 receivable or interest payable, as appropriate

Recent Accounting Pronouncements to be adopted in Future Periods

In July 2015, the Financial Reporting Council ('FRC') issued amendments to FRS 101 as part of its 2014-2015 Cycle and other minor amendments Each amendment not already effective for the Company's 2015 accounting year will, subject to EU endorsement, be mandatorily effective for the Company's 2016, 2017 or 2018 accounting year The changes include the following standards issued by the International Accounting Standards Board ('IASB') (i) International Financial Reporting Standard ('IFRS') 15, 'Revenue From Contracts With Customers', whose core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and (ii) IFRS 9 'Financial Instruments', which includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting In January 2016, the IASB issued IFRS 16 'Leases', which introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value and, subject to EU endorsement, will become mandatorily effective for the Company at the beginning of its 2019 accounting year

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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 uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

2 Critical accounting judgements and estimates (continued)

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 8 for the carrying amount of debtors No impairment loss was recognised in 2015 or 2014

3. Turnover

The table below analyses the Company's commissions and 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 Commissions and fees are attributable to continuing operations

Turnover	2015 £000	2014 £000
United Kingdom	4,334	4,136

No further segmental analysis has been provided as the Directors of the Company are of the opinion that the profit before taxation and the net assets of the business cannot be allocated between geographical areas on a meaningful basis In addition no further analysis of turnover between external, Group and associated clients has been provided as the Directors of the Company are of the opinion that such analysis would not be meaningful

4 Operating profit	2015 £000	2014 £000
Operating profit is stated after charging		
Current service cost of pension schemes - defined contribution scheme	237	164
Net foreign currency exchange differences	12	8

The foreign exchange loss of £12,000 (2014 £8,000) shown in the income statement is mainly attributable to the fluctuation in the value of pound sterling against the US dollar during the year

Auditor's remuneration of £7,800 (2014 £7,800) was borne by another Group company

WILLIS EMPLOYEE BENEFITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

5. Employee costs	2015 £000	2014 £000
Salaries and incentives	2,060	1,653
Social security costs	259	217
Pension costs - defined contribution scheme	237	164
Net employee costs	2,556	2,034

Number of employees – average for the period	2015 Number	2014 Number
Producer	10	12
Client services	21	15
Management/administration services	3	2
	34	29

The staff working for the Company are contractually employed by other subsidiary undertakings of Willis Towers Watson plc (formerly Willis Group Holdings plc) The Company bears the cost of the salaries, social security payments and pension contributions relating to such staff

6. Directors' remuneration	2015 £000	2014 £000
Emoluments (excluding pension contributions, benefits and long-term incentive awards)	268	251
Benefits	6	7
Pension contributions	22	22
	296	280
Highest paid Director		
Emoluments (excluding pension contributions, benefits and long-term incentive awards)	268	251
Benefits	6	7
Pension contributions	22	22
	296	280
Accrued annual defined benefit pension at the end of the year relating to highest paid Director	28	22

	2015 Number	2014 Number
Directors exercising share options	1	1
Directors receiving shares under long-term incentive plans	1	1
Directors eligible for defined benefit pension schemes	1	1

The Directors working for the Company are employed by other subsidiary undertakings of Willis Faber Limited

The remuneration for both 2015 and 2014 represents the costs of one Director, and excludes the costs of share based payment schemes which are operated by the Group, of which the expenses are borne by other Group companies The remaining Directors are remunerated by other Group companies with no part of their remuneration allocated to the Company As such no disclosure of their remuneration has been made

7 Tax on profit on ordınary activıtıes	2015 £000	2014 £000
(a) Analysıs of charge for the year		
Current tax·		
UK corporatıon tax	50	173
Adjustments ın respect of prıor perıods	(1)	(1)
Total current ıncome tax	49	172
Tax expense ın the ıncome statement (note 7 (b))	49	172

	2015 £000	2014 £000
(b) Reconcılıatıon of the total tax charge		
The tax assessed for the year ıs lower (2014 lower) than the standard rate of corporatıon tax ın the UK (20 25%) (2014 21 5%) The dıfferences are explaıned below		
Profit on ordınary actıvıtıes before taxatıon	232	794
Tax calculated at UK standard rate of corporatıon tax of 20 25% (2014 21 5%)	47	171
Effects of		
Amounts not deductıble for tax purposes	3	2
Tax overprovıded ın prevıous years	(1)	(1)
Total tax expense reported ın the ıncome statement	49	172

(c) Change ın Corporatıon tax rate

The Fınance Act 2013 set the rate of UK corporatıon tax at 20% wıth effect from 1 Aprıl 2015 The Fınance Act 2015 maıntaıned thıs rate for the year from 1 Aprıl 2016 The Fınance (No 2) Act 2015 whıch was substantıvely enacted on 26 October 2015 and receıved royal assent on 18 November 2015 reduced the rate to 19% wıth effect from 1 Aprıl 2017 wıth a further reductıon to 18% from 1 Aprıl 2020 As the changes were substantıvely enacted prıor to 31 December 2015, they have been reflected ın these financıal statements

The government further announced on 16 March 2016 that the maın rate of corporatıon tax wıll be reduced to 17% ın 2020 As the change has not been substantıvely enacted the change has not been reflected ın these financıal statements

8. Debtors	2015 £000	2014 £000
Amounts fallıng due wıthın one year·		
Trade debtors	823	912
Amounts owed by Group undertakıngs	-	732
Prepayments and accrued ıncome	26	24
Retentıon awards	-	1
	849	1,669

9 Creditors. amounts falling due within one year	2015 £000	2014 £000
Amounts owed to Group undertakings	22	63
Amounts owed to Group undertakings in respect of corporation taxation group relief	50	173
Other creditors	4	15
VAT payable	13	-
Accruals and deferred income	250	298
	339	549

10 Called up share capital	2015 £000	2014 £000
Allotted, called up and fully paid		
13,000 (2014 13,000) ordinary shares of £1 each	13	13

11. Pensions

Defined Benefit Scheme

Certain staff working for the Company are 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 are contractually employed by Willis Limited, a fellow subsidiary undertaking of Willis Towers Watson plc (formerly 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 2013 The most recent actuarial valuation has been reviewed and updated as at 31 December 2015, in order to assess the liabilities of the Scheme at 31 December 2015

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

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

The Scheme has been closed to new members from 1 January 2006

Defined Contribution Scheme

The Company has operated a defined contribution scheme for new entrants since 1 January 2006, for which the pension cost charge for the year amounted to £237,000 (2014 £164,000)

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

13. Events after the balance sheet date

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

The Company is not directly affected by this merger

14. Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition)

Management has reviewed the effect on the Company's financial position and financial performance and concluded that no adjustments to the financial statements, previously prepared in accordance with its old basis of accounting (old UK GAAP), were needed

As described in note 1, the company has taken advantage of the disclosure exemption permitted under FRS 101 in relation to presentation of a cash flow statement