

WILLIS JAPAN LIMITED

(Registered Number 01689758)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Directors

KL Clark
Willis Corporate Director Services Limited
RH Hammond-West (appointed 17 August 2018)

Registered Office

51 Lime Street
London EC3M 7DQ

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

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WILLIS JAPAN LIMITED

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WILLIS JAPAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2017.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities and review of developments

Following the closure of its branch operation in Tokyo and the conclusion of various employee secondments, the Company ceased to provide Japanese retail insurance, international insurance and reinsurance activities from the end of 2007.

The Company acts as a holding company and is a subsidiary of Willis Towers Watson plc. Willis Towers Watson plc, together with its subsidiaries ('WTW') is a leading global advisory, broking and solutions provider that helps clients around the world turn risk into a path for growth. The Company is domiciled and incorporated in the United Kingdom.

Merger with Towers Watson & Co.

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 was not directly affected by this merger.

Results

The profit on ordinary activities after taxation amounted to £984,000 (2016: loss of £20,000) as shown in the income statement on page 8.

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

Employees

The Company employed no staff during the year (2016: none).

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 11.

Dividends

No interim dividend was paid during the year (2016: £nil).

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. OHW Gooding resigned as a Director of the Company on 28 June 2018. RH Hammond-West was appointed as a Director of the Company on 17 August 2018. There were no other changes in Directors during the year or after the year end.

WILLIS JAPAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

Directors' responsibilities statement

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), including Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101'). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 they ought to have taken as a Director in order to make themselves 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



RH Hammond-West
Director
51 Lime Street
London EC3M 7DQ

5 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS JAPAN LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Willis Japan Limited (the 'company') which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes I to II.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS JAPAN LIMITED (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion there.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS JAPAN LIMITED (continued)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Eleanor Gill (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

5 September 2018

WILLIS JAPAN LIMITED**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £000	2016 £000
Operating expenses - foreign exchange loss		(91)	-
Operating loss	3	(91)	-
Income from shares in group undertakings	4	1,057	-
Profit on ordinary activities before taxation		966	-
Tax credit/(charge) on profit/result on ordinary activities	7	18	(20)
Profit/(loss) for the year		984	(20)

All activities derive from continuing operations.

There is no other comprehensive income in either 2017 or 2016.

WILLIS JAPAN LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Investments	8	499	499
Current assets			
Debtors: amounts falling due within one year	9	1,394	410
Net current assets		1,394	410
Net assets		1,893	909
Equity			
Called up share capital	10	1	1
Retained earnings		1,892	908
Shareholder's equity		1,893	909

The financial statements of Willis Japan Limited, registered company number 01689758, were approved by the Board of Directors and authorised for issue on *5 September* 2018 and signed on its behalf by:



RH Hammond-West
Director

WILLIS JAPAN LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2016	1	928	929
Loss for the year	-	(20)	(20)
Total comprehensive loss for the year	-	(20)	(20)
Balance at 31 December 2016	1	908	909
Profit for the year	-	984	984
Total comprehensive income for the year	-	984	984
Balance at 31 December 2017	1	1,892	1,893

WILLIS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

I. 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 certain disclosure exemptions permitted under FRS 101 primarily in relation to: (i) financial instruments; (ii) related party transactions and (iii) new International Financial Reporting Standards ('IFRSs') as, where required, equivalent disclosures are given in the group financial statements of Willis Towers Watson plc.

Going concern

The Company's business activities and the factors likely to affect its future development and position are set out in the Director's Report.

The Directors have conducted enquiries into the nature and quality of the assets and liabilities that make up the Company's capital. Furthermore, the Directors' enquiries extend to the Company's relationship with WTW 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 WTW 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 financial statements.

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 financial statements (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, a company incorporated in Ireland, whose registered office is Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, 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, whose financial statements are available to members of the public from WTW's website www.willistowerswatson.com, in the Investor Relations section.

WILLIS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

1. Accounting policies (continued)

Dividend income

Dividend income is recognised when the right to receive payment is established.

Fixed asset investments

Investments in subsidiaries are carried at cost less provision for impairment.

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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Financial assets and financial liabilities

Financial assets and financial liabilities include amounts owed to / by group undertakings.

The Company classifies its financial assets and financial liabilities in the following categories: 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 income or interest expense, as appropriate.

Recent accounting pronouncements adopted in the current period

The Company did not adopt any new International Financial Reporting Standards ('IFRSs') or interpretations ('IFRICs') issued by the International Accounting Standards Board ('IASB') during the year ended 31 December 2017 and no amendments to IFRSs or International Accounting Standards ('IASs') issued or adopted by the IASB had a significant effect on its financial statements.

WILLIS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

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

Impairment of investment in subsidiaries

Determining whether the Company's investment in a subsidiary has been impaired requires estimations of the investment's fair value, less costs of disposal, and/or value in use. Management judgement is required to identify comparable recent transactions and/or to estimate the future cash flows expected to arise from the investment and select a suitable discount rate to use in calculating present value. See note 8 for the carrying amount of investments in subsidiaries. No impairment loss was recognised in 2017 or 2016.

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 9 for the carrying amount of loans and receivables. No impairment loss was recognised in 2017 or 2016.

3. Operating loss

The foreign exchange loss of £91,000 (2016: £nil) is attributable to the fluctuation in the value of the pound sterling to the Japanese Yen during the year.

Auditor's remuneration of £2,800 (2016: £2,800) was borne by another group company.

4. Income from shares in group undertakings

	2017	2016
	£000	£000
Dividend from shares in subsidiary undertaking arising from Japan	1,057	-

5. Employee costs

The Company employed no staff during the year (2016: none).

WILLIS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

6. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2016: £nil).

7. Taxation	2017	2016
	£000	£000
<i>(a) Tax (credit)/charge in the income statement</i>		
Current tax:		
UK corporation tax	(18)	-
Adjustments in respect of prior periods	-	20
Total current tax (note 7(b))	(18)	20

	2017	2016
	£000	£000
<i>(b) Reconciliation of total tax (credit)/charge</i>		
The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:		
Profit/result on ordinary activities before taxation	966	-
Tax calculated at UK standard rate of corporation tax of 19.25% (2016: 20%)	186	-
Effects of:		
Adjustments in respect of prior periods	-	20
Intra-group dividends which are non-taxable	(204)	-
Total tax (credit)/charge reported in the income statement (note 7(a))	(18)	20

(c) Change in corporation tax rates

The Finance Act 2013 set the rate of UK corporation tax at 20% with effect from 1 April 2015. The Finance Act 2015 maintained this rate for the year from 1 April 2016. The Finance (No.2) Act 2015, which received royal assent on 18 November 2015, reduced the rate to 19% with effect from 1 April 2017 with a further reduction to 18% from 1 April 2020. The Finance Act 2016, which received royal assent on 15 September 2016, subsequently reduced the main rate of corporation tax from 18% to 17% from 1 April 2020. As the changes were substantively enacted prior to 31 December 2017, they have been reflected in these financial statements.

WILLIS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

8. Investments held as fixed assets	Subsidiary undertakings £000
<i>Cost and carrying amount</i>	
31 December 2016 and 31 December 2017	<u>499</u>

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

The subsidiary undertakings at 31 December 2017 were:

	Percentage of share capital held	Class of share	Country of incorporation
<i> Holding Company </i>			
Willis Japan Holdings K.K. *	100%	Ordinary of JPY 0.37 each	Japan
<i> Trading Company </i>			
Willis Japan Services K.K.	100%	Ordinary of JPY 1 each	Japan
Willis Re Japan K.K.	100%	Ordinary of JPY 0.56 each	Japan
<i> Dormant Company </i>			
Willis Consulting K.K.	100%	Ordinary of JPY 1 each	Japan

* Owned directly by Willis Japan Limited: All other undertakings are indirectly held.

The registered office for all the subsidiary undertakings is Toranomon Kotohira Tower 12Fm 2-8, Toranomon Ichome, Minato-ku, Tokyo 105-0001.

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 400 of the Companies Act 2006 as the Company is a wholly-owned subsidiary of Willis Towers Watson plc (formerly Willis Group Holdings plc), in whose financial statements it is consolidated. These financial statements relate to the Company only and not to its group.

WILLIS JAPAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

9. Debtors	2017 £000	2016 £000
<i>Amounts falling due within one year:</i>		
Amounts owed by group undertakings	1,376	410
Amounts owed by group undertakings in respect of corporation tax group relief	18	-
	1,394	410

10. Called up share capital	2017 £000	2016 £000
Allotted, called up and fully paid		
1,000 (2016: 1,000) ordinary shares of £1 each	1	1

11. Related party transactions

FRS101 (paragraph 8(k)) exempts the reporting of transactions between group companies in the financial statements of companies that are wholly owned within WTW. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.