

WILLIS JAPAN LIMITED

(Registered Number 1689758)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Directors

Willis Corporate Director Services Limited (appointed 8 September 2010)
SE Wood

Secretary

Willis Corporate Secretarial Services Limited (appointed 8 September 2010)

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2010

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 now acts as a holding company and is a subsidiary of Willis Group Holdings plc ('the Group'). The Group is one of the world's leading professional service providers of risk management solutions, risk transfer expertise through insurance and reinsurance broking, and related specialised consultancy services.

Results

The profit on ordinary activities after taxation amounted to £1,263,000 (2009: loss of £4,000). The increase is largely a result of income from shares in a subsidiary undertaking of £1,221,000.

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

Dividends

No interim dividend was paid during the year (2009: £nil). The Directors do not recommend the payment of a final dividend (2009: £nil).

Enhanced Business Review

The Directors' Report is not required to include an enhanced business review. Advantage has been taken of the provisions of Section 415A (2) of the Companies Act 2006.

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. Willis Corporate Director Services Limited was appointed as Director with effect from 8 September 2010. SK Bryant resigned as Director of the Company on 7 September 2010. 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 estimates that are reasonable and prudent, and
- 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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Statement of Directors' responsibilities in relation to the financial statements (continued)

Disclosure of information to auditors

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 auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

Auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

By order of the Board



Director
51 Lime Street
London EC3M 7DQ

19 SEPTEMBER 2011

We have audited the financial statements of Willis Japan Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



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

19 September 2011

WILLIS JAPAN LIMITED**6****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
Turnover	2	1,221	-
Operating expenses		-	(5)
Operating income – foreign exchange gain		56	-
Operating profit/(loss)	3	1,277	(5)
Interest receivable from Group undertaking		2	-
Profit/(loss) on ordinary activities before taxation		1,279	(5)
Tax (charge)/credit on profit/(loss) on ordinary activities	6	(16)	1
Profit/(loss) on ordinary activities after taxation		1,263	(4)

All activities derive from continuing operations

There are no recognised gains or losses in either 2010 or 2009 other than the profit or loss for those years

WILLIS JAPAN LIMITED

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BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £000	2009 £000
Fixed assets			
Investments	7	499	499
Current assets			
Debtors amounts falling due within one year	9	1,093	1
Current liabilities			
Creditors amounts falling due within one year	10	(16)	(187)
Net current assets/(liabilities)		1,077	(186)
Net assets		1,576	313
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	1,575	312
Shareholders' funds		1,576	313

The financial statements of Willis Japan Limited, registered company number 1689758, were approved by the Board of Directors and authorised for issue on 19 September 2011 and signed on its behalf by



SE Wood
Director

WILLIS JAPAN LIMITED**8****MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010**

Movement in shareholders' funds	2010 £000	2009 £000
Profit/(loss) on ordinary activities after taxation	1,263	(4)
Net movement in shareholders' funds for the year	1,263	(4)
Shareholders' funds at beginning of year	313	317
Shareholders' funds at end of year	1,576	313

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**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

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors 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 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 Group Holdings plc, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ.

Revenue recognition

Income from shares in subsidiary undertakings is recognised when the subsidiary undertaking has a legally binding obligation to make the distribution.

Interest receivable from Group undertakings

Interest receivable is accounted for on accruals basis.

Foreign currency translation

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates ('the functional currency').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Fixed asset investments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

1. Accounting policies (continued)**Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Cash flow statement

Under FRS1 'Cash flow statements' the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Company is a 90 per cent or more owned subsidiary undertaking and the consolidated cash flow statement that is prepared at Group level is publicly available

2. Turnover

	2010 £000	2009 £000
Income from shares in subsidiary undertaking		
Dividend received from Willis Japan Holdings KK	1,221	-

3. Operating profit/(loss)

Auditors' remuneration of £2,600 (2009 £2,600) was borne by another Group company

4. Employee costs

The Company employed no staff during the year (2009 none)

5. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2009 £nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

6. Tax on profit/(loss) on ordinary activities	2010	2009
	£000	£000
(a) Analysis of charge/(credit) for the year		
Current tax:		
UK corporation tax on profit/(loss) at 28% (2009 28%)	16	(1)
Total current tax (note 6(b))	16	(1)
(b) Factors affecting current tax for the year		
The tax assessed for the year is lower than (2009 equal to) the standard rate of corporation tax in the UK (28%) (2009 28%) The differences are explained below		
Profit/(loss) on ordinary activities before taxation	1,279	(5)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	358	(1)
Effects of Intra-group dividends which are non-taxable	342	-
Total current tax charge/(credit) for the year (note 6(a))	16	(1)

(c) Circumstances affecting current and future tax charges

The Government announced in June 2010 that it intended to reduce the rate of UK corporation tax from 28% to 24% over four years. Consequently the Finance Act 2010, which was substantively enacted in July 2010, included provisions to reduce the rate of UK corporation tax to 27% with effect from 1 April 2011.

On 23 March 2011, the Government announced that it intends to further reduce the rate of UK corporation tax to 26% with effect from 1 April 2011 and then by 1% per annum to 23% by 1 April 2014. As this legislation was not substantively enacted by 31 December 2010, the impact of these further anticipated rate changes is not reflected in the tax provisions reported in these accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

7. Investments held as fixed assets	Subsidiary undertaking £000
<i>Cost</i>	
1 January 2010 and 31 December 2010	499
<i>Provisions</i>	
1 January 2010 and 31 December 2010	-
<i>Net book value 31 December 2010 and 31 December 2009</i>	<u>499</u>

Investments held as fixed assets comprise the Company's investment in 100% of the ordinary share capital of Willis Japan Holdings KK, a holding company within the Group

8. Shares in subsidiary undertaking

The principal subsidiary undertaking at 31 December 2010 was

	Percentage of share capital held	Class of share	Country of incorporation
<i>Holding Company</i>			
Willis Japan Holdings KK	100%	Ordinary of JPY1 each	Japan

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 Group Holdings plc, in whose financial statements it is consolidated. These financial statements relate to the Company only and not to its Group.

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

9 Debtors	2010 £000	2009 £000
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertaking	<u>1,093</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

10. Creditors: amounts falling due within one year	2010 £000	2009 £000
Amounts owed to Group undertaking	-	187
Amounts owed to Group undertaking in respect of group relief	16	-
	16	187

11. Called up share capital	2010 Number	2009 Number
Authorised share capital		
Ordinary shares of £1 each	1,000	1,000
	2010 £000	2009 £000
Allotted, called up and fully paid		
1,000 (2009 1,000) ordinary shares of £1 each	1	1

12. Reserves and shareholders' funds	Share capital £000	Profit and loss account £000	Total £000
1 January 2010	1	312	313
Profit on ordinary activities after taxation	-	1,263	1,263
31 December 2010	1	1,575	1,576

13. Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between wholly-owned group companies. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.