WILLIS GROUP SERVICES LIMITED

(Registered Number 01451456)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Directors

MJ Cherry
VJ Kelsey
RP Brame
JR Tyley
Willis Corporate Director Services Limited

Registered Office

51 Lime Street
London
EC3M 7DQ

Auditor

Deloitte LLP
1 New Street Square
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WILLIS GROUP SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Company activities and review of developments

Willis Group Services Limited ('the Company') 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 company that provides data-driven, insight-led solutions in the areas of people, risk and capital. The Company is domiciled and incorporated in the United Kingdom. The Company provides financial, leasing, property holding and administrative services principally for subsidiaries of WTW. The Company's principal sources of revenue are from income on leased assets, fees receivable in respect of management services and recharges to certain other WTW undertakings. Recharges are based on usage and are allocated using various methods including revenues and headcount.

There have been no significant changes in the Company's principal activities in 2023. 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.

Replacement of London Interbank Offered Rate ('LIBOR') for USD facilities

The Company has replaced any USD LIBOR based facility arrangements with a new USD benchmark interest rate effective from 1 May 2023. The new benchmark interest rate for USD is Secured Overnight Financing Rate ('SOFRRATE Index'). This rate will be reset each month on the 2nd business day prior to the end of the month, using a simple average of the prior one-month period. A fallback adjustment spread of 0.11448% will be added to the margin defined within the facility agreements.

Results

The profit on ordinary activities after taxation amounted to £2 million (2022: £3 million) as shown in the income statement. The decrease in profit after taxation is largely attributable to:

- £19 million increase in transaction and transformation costs; and
- £8 million increase in operating costs;

offset by:

- £26 million increase in costs recovered from group undertakings.

Balance sheet

The balance sheet shows the Company's financial position at the year end. Net assets have increased by £3 million largely as a result of:

- £19 million decrease in lease liabilities;
- £8 million increase in amounts owed by group undertakings in respect of corporation tax group relief; and
- £7 million net increase in net amounts owed by group undertakings;

partly offset by:

- £17 million decrease in right-of-use asset;
- £5 million increase in other creditors;
- £5 million decrease in tangible assets; and
- £2 million decrease in deferred tax asset.

Other key performance indicators

The Company ensures that the costs incurred in providing its services are fully recovered via recharges to certain WTW undertakings. The Company made a profit after tax in both the current and prior year.

WTW 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 WTW, which includes the Company, is discussed in WTW's consolidated financial statements which do not form part of this report.

Company activities and review of developments (continued)

Principal risks and uncertainties

Currency Risk

The Company has intercompany balances with fellow WTW undertakings in currencies other than pounds sterling, its functional currency, and is therefore exposed to movements in exchange rates. WTW's treasury function takes out contracts to manage this risk at a group level.

Contract Risk

The Company is party to a number of contracts, both with third parties and with other companies within WTW. The Company is therefore exposed to contractual risk arising from events or circumstances which might make it unable to fulfil its contractual obligations, such as system failure.

Credit Risk

The Company has balances due from fellow WTW undertakings. There is a risk that counterparties may not be able to repay amounts in full when due. These balances are reviewed regularly and, where possible, settled through loan accounts held with WTW's treasury function.

Business & Technology Interruption Risk

The Company conducts operations largely in London and Ipswich (United Kingdom) and, in addition, relies on operations in Delhi and Mumbai (India) and in Manila (Philippines). These locations may be subject to natural and man-made catastrophes which may disrupt the Company's operations. WTW mitigates this risk through the documentation and testing of Business Continuity Plans, which include establishment of backup operational sites (including remote working) and procedures for re-establishment of operations. WTW maintains appropriate insurance cover for business interruption events.

WTW has established a control framework around the provision of IT services which aims to address these risks. These controls are subject to ongoing review and testing.

Data Security Risk

The Company's information systems, and those of its third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks which could expose confidential company and personal data systems and information to security breaches.

Many of the software applications used by the Company are licensed from, and supported, upgraded and maintained by, third-party vendors. WTW has 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.

WTW maintains policies, procedures and technological safeguards designed to protect the security and privacy of information. However, the risk of data security breaches, improper access to, takeover of or disclosure of confidential company or personally identifiable information cannot entirely be eliminated.

Outsourcing Risk

As part of providing services to WTW, the Company relies on a number of third-party service providers. This could affect the quality of the Company's services. The Company could be required to incur unanticipated costs if the third-party service providers do not perform as expected or their services are disrupted. The Company manages this risk through processes of supplier and partner selection, onboarding and an ongoing programme of monitoring and review to ensure that the outsource partners remain appropriate.

Principal risks and uncertainties (continued)

Risks and uncertainties of the economic environment

Global markets are continuing to experience volatility and disruption as a result of the ongoing Russia-Ukraine and Israel-Hamas wars. Although the length and impact of these ongoing situations are highly unpredictable, they have caused disruption in the global markets and could continue to lead to further market disruptions. The conflicts have contributed to negative impacts on and volatility of the global economy and capital markets including related to significant inflation and fluctuating interest rates in many of the markets in which WTW operates. This impacts not only the cost of and access to liquidity, but also other costs for WTW to run and invest in its business.

Other global economic events, such as accommodative monetary and fiscal policy and geopolitical tensions beyond the ongoing wars, have contributed to significant inflation across the globe. In particular, inflation in the United States, Europe, and other geographies in which WTW operates, has risen to levels not experienced in recent decades and WTW is seeing the impact on various aspects of its business. Moreover, global economic conditions have created market uncertainty and volatility. Such general economic conditions, including inflation, stagflation, political volatility, costs of labour, cost of capital, interest rates, bank stability, credit availability, and tax rates, affect WTW's operating and general and administrative expenses, and it has no control or limited ability to control such factors. These general economic conditions can also impact revenue, including revenue from customers as well as income from funds it holds on behalf of customers and pension-related income.

All of the foregoing events or potential outcomes could cause a substantial negative effect on the Company's own results of operations in any period and, depending on their severity, could also materially and negatively affect its financial condition. Such events and outcomes also could potentially impact WTW's reputation with clients and regulators, among others.

The Company will continue to monitor the situation and assess any implications to its business and stakeholders.

Political Risk

The Company is also exposed to additional risks by virtue of being part of WTW, including those relating to the United Kingdom having left the European Union ('the E.U.') on 31 January 2020. Following the occurrence of Brexit and the end of the formal transition period on 31 December 2020, a trade agreement has been established between the U.K. and E.U.. As expected, the agreement largely addresses goods and not services, and WTW has therefore completed the establishment of appropriate arrangements for the continued servicing of client business in all relevant E.U. countries. Further negotiations between the U.K. and E.U. resulted in the agreement of a Memorandum of Understanding to address matters related to financial services, though the outcome of future engagement between the U.K. and E.U. in relation to services, including financial services and potential impact on WTW, are not yet fully known. These risks have been discussed in WTW's consolidated financial statements which do not form part of this report. Management does not anticipate any material impact for this Company.

Environment

WTW recognises the importance of its environmental responsibilities and monitors its impact on the environment on a location-by-location basis, designs and implements policies to reduce any damage that might be caused by its activities. WTW is one of the world's leading risk advisors and experts in assessing and mitigating climate risk, WTW is committed to supporting measures aimed at helping to tackle climate change.

WTW uses internal and external methods to measure its environmental and social governance progress. Internally, WTW has a taskforce that ensures focus on the areas of most importance to its stakeholders and that activities are aligned with WTW's strategic priorities and comprises representatives from across the business segments and corporate functions. WTW is committed to improving its suppliers' environmental impact by increasing its demand for and use of goods that are developed in a sustainable way and contribute to a reduced carbon footprint, including Environmental, Social and Governance ('ESG') questions and evaluation criteria within its procurement processes, and having in place a form of supplier contract that stipulates, where the form is in place, that all operations must be conducted in full compliance with all applicable laws in connection with the contract.

Environment (continued)

Externally, WTW is committed to delivering net zero greenhouse gas emissions in alignment with the Science Based Targets Initiative by 2050 at the latest, with at least a 50% reduction by 2030, across WTW's business operations. This includes a commitment to achieving 100% renewable energy supplies across WTW's real estate portfolio. To support this, WTW has been involved with various governments, intergovernmental organisations and civil societies on climate policy and research for some years and shares the collective ambition of an orderly transition towards sustainable and resilient economies and communities. Amongst a variety of its collaborations and memberships, WTW is a member of the insurance industry initiative ClimateWise, is a member of the Taskforce on Climate-Related Financial Disclosures ('TCFD'), is a member of the Asset Managers Net-Zero Initiative, is an active member of the Coalition for Climate Resilient Investment and created the Natural Resource Risk Index. WTW's policy is to comply with all applicable environmental laws and regulations where it operates. For further details see the ESG section of wtwco.com.

Some examples of how the Company is committed to reducing its environmental impact include:

- Improving energy efficiency though its operations;
- Promoting recycling and minimising waste sent to landfill; and
- Using environmentally responsible office supplies.

Section 172 Companies Act 2006

In the course of the year, the Board of Directors of the Company complied with Section 172 of the Companies Act 2006 ('S172') by having regard to the following in all its principal decision making:

(a) the long-term consequences of any of its decisions;
(b) the interests of its employees; (see employees section in Directors report)
(c) the Company's business relationships with its suppliers, customers and others;
(d) community and environment; (see environment section within this report)
(e) reputation and business conduct; and
(f) the need to act fairly as between members of the Company.

Section 172(f) does not apply to the Company as it is a wholly-owned subsidiary of Willis Towers Watson plc ('WTW').

In each case, the Board of Directors carefully considered the long-term consequences of each of these decisions where necessary by discussing with management the consequences of any decisions on its key stakeholders, the Company's reputation, and the impact on the wider culture.

All key recommendations made by management to the Board of Directors were, in the course of the year, put through a review process which involves a range of internal WTW structures, committees and working groups, to ensure the effective design and operation of controls within WTW. The internal structures include review and input from the WTW Risk, Compliance, Internal Audit, IT, Information Security, Legal and Finance functions and the business operations.

In the course of the year, the Board of Directors had access to management information in respect of the Company's day-to-day activities via a range of internal structures, committees and working groups.

The Directors had access to training on a variety of subjects including the WTW Code of Conduct. Board packs for the Company are issued to the Directors a few days in advance of the Board meetings (where applicable) in order to provide adequate time for review. Any specific S172 factors will be flagged for consideration by the Board in respect of any relevant decisions in the future.

Section 172 Companies Act 2006 (continued)

WTW's culture of diversity also applies to its suppliers. WTW is committed to working with diverse suppliers who can provide fresh perspectives and viewpoints, in addition to maximising the benefits and support they can provide to employees and customers. The due diligence and on-boarding in relation to WTW's supply-chain emphasises compliance with WTW's core values and includes additional requirements relating to the risk of modern slavery.

This strategic report was approved by the Board of Directors and authorised for issue on 18 June 2024 and signed on its behalf by:

DocuSigned by:
Michael Cherry
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MJ Cherry
Director
51 Lime Street
London, EC3M 7DQ

WILLIS GROUP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2023.

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. The report provides an overview of the Company's activities and an analysis of its performance for the year ended 31 December 2023, along with likely future developments, the principal risks faced in achieving its future objectives and information on financial risk management.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, 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

Dividends

No interim dividend was paid in the year (2022: £26 million). The Directors do not recommend the payment of a final dividend (2022: £nil).

Employees

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

It is WTW'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.

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

Communication with employees concerning the objectives and performance of WTW 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 WTW's vision and business strategy.

All employees of WTW have access to the WTW intranet, which provides opportunities for multi-layered interaction between employees and management. WTW prioritised the safety and well-being of employees at the forefront of all office closures and return to office decisions during the COVID-19 pandemic. In order to keep abreast of the issues facing employees during 2023, WTW carried out an all-employee survey, as well as smaller, periodic surveys, which allowed WTW to pinpoint areas that required intervention. Directors used new ways of seeking feedback, maintaining a focus on morale and mental health as well as keeping in touch with employees.

WTW strives to conduct business with integrity in an environmentally and socially responsible manner. To ensure that a healthy environment is sustained, the Board and the Company, aligned with WTW, seek new opportunities to improve and implement community and environmentally focused activities. Examples of such activities include:

- Matching employees' charitable donations; and
- Volunteer day programmes which provide employees with paid opportunities to volunteer.

Business relationships

See the Section 172 Companies Act 2006 section in the strategic report for information on how the Directors have had regard to the need to foster the Company's business relationships.

Streamlined Energy and Carbon Report 2023

Scope of this report

UK's Streamlined Energy and Carbon Reporting (SECR) requires that large companies must provide an annual energy and carbon report focused on their UK operations. This report is focused on WTW's legal entities in the UK. Where WTW is noted, the data covers all WTW operations including, but not limited to, WTW's UK operations. The data in this report is for the period 1 January 2023 to 31 December 2023, unless specified.

Systems

WTW recognises its environmental responsibilities and the need to minimise its impact on the environment.

Focus areas

WTW has set a commitment to achieve net zero greenhouse gas emissions by 2050 and 50% reduction by 2030 aligned with Science Based Targets initiative. In 2023, WTW completed additional planning helping to lay the foundation for a comprehensive action plan supporting its climate commitments.

WTW helps reduce its environmental impact and carbon emissions through improvements to energy efficiency in its operations, reducing the need for business travel through the use of virtual meeting technologies, promoting recycling and reducing the waste sent to landfill.

WTW operations in 2023 reflected a continued return to more typical business operations, compared with 2021 when office occupancy was still significantly impacted by the COVID pandemic. In addition, WTW is actively engaged in a right-sizing exercise to ensure the right amount of office space is available to employees. As part of this project WTW expects a net reduction in emissions.

In an effort to reduce WTW's environmental impact, the procurement of renewable energy has been prioritised for certain offices in which WTW has the ability to influence energy procurement. This has been included in the 2023 and 2022 SECR electricity (market-based) emissions totals, resulting in a reduction in the associated greenhouse gas emissions, despite an increase to the total energy consumption in 2023 and 2022 compared with 2021.

Colleagues

WTW engages more than 48,000 colleagues globally through the promotion of WTW-wide and local initiatives. WTW colleagues are encouraged to adopt environmentally responsible habits, like paper-less record-keeping and recycling, and to learn information about new sustainability initiatives through internal communications and promotional campaigns.

Customers

WTW partners with its customers and communities to help address their social and economic challenges. WTW accomplishes this through a combination of its business services and corporate programmes.

For further information, see Section 172 Report.

Suppliers

WTW is committed to improving its suppliers' environmental impacts by increasing its demand for and use of goods that are developed in a sustainable way and contribute to a reduced carbon footprint, including Environmental, Social and Governance (ESG) questions and evaluation criteria within its procurement processes, and by having in place a template form of supplier contract that stipulates, where the form is in place, that all operations must be conducted in full compliance with all applicable laws in connection with the contract.

WTW has begun to engage key suppliers in an effort to increase awareness of the importance of setting Science Based Targets as part of an effective emissions reduction plan.

Compliance

WTW's policy is to comply with all applicable environmental laws and regulations where it operates.

Corporate/Business Oversight

Internally, WTW has an ESG Taskforce that provides central governance and focuses on aligning its ESG commitments with its strategic priorities.

For more information, see the ESG section of wtwco.com

Streamlined Energy and Carbon Report 2023 (continued)

Total Emission Scope Summary

Emission Type	Total Volume (kWh)		Calculated Emissions (Tonnes of CO_2e)	
	2023	2022	**2023**	2022
Scope 1 (direct)	**517,599**	598,099	**97**	110
Scope 2 (indirect)	**1,154,373**	1,247,421	**17**	25
Scope 3 (indirect)	**76,489**	18,632	**17**	4
Total	**1,748,461**	1,864,152	**131**	139

Scope 1 Emissions (Direct)

Emissions from activities owned or controlled by the Company that release emissions into the atmosphere either through stationary combustion or mobile combustion. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces or vehicles.

Energy Type	Definition	Total Volume (kWh)		Calculated Emissions (Tonnes of CO_2e)	
		2023	2022	**2023**	2022
Gas	Emissions from combustion of gas	**517,599**	598,099	**97**	110
Transport	Emissions from combustion of fuel for transport purposes	—	—	—	—
Total		**517,599**	598,099	**97**	110

Scope 2 Emissions (Indirect)

Scope 2 includes indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the Company. It is considered an indirect emissions source because it is a consequence of the Company's activities, but occurs at sources owned and controlled by a separate, external entity.

The results below are showing the Company's relevant market-based scope 2 emissions. Using the market-based emission factor in scope 2 corporate accounting enables WTW to reflect the electricity emissions based on contractual instruments, rather than the location of electricity generation alone, which relies only on the grid to become cleaner for emission reduction. WTW reported that its UK sites in Birmingham, Bristol, London, Northwich, Redhill, Reigate, Ipswich Friars St, and Ipswich Greyfriars source electricity from renewable sources (e.g. REC or PPA) in 2022 and 2023, hence their zero emissions under "Renewable" below.

WILLIS GROUP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Streamlined Energy and Carbon Report 2023 (continued)

Energy Type	Definition	Total Volume (kWh)		Calculated Emissions (Tonnes of CO_2e)	
		2023	2022	**2023**	2022
Electricity	Emissions from purchased renewable electricity	**1,107,151**	1,178,128	—	—
Electricity	Emissions from purchased electricity from the grid	**47,222**	69,293	**17**	25
Total		**1,154,373**	1,247,421	**17**	25

Scope 3 Emissions (Indirect)

Scope 3 focuses on emissions that are not produced by the Company itself, and not the result of activities from assets owned or controlled by them, but by those that WTW is indirectly responsible for, upstream and downstream from its value chain. Examples of Scope 3 emissions are business travel by means not owned or controlled by the organization (e.g. ride-sharing services, employee vehicles, or rental cars). Under SECR it is not mandatory to report rail or air travel.

Scope 3 emissions reported below reflect employee fuel reimbursement. Fuel volume was estimated by converting WTW's reported reimbursement totals by country to a volume of assumed petrol using regional fuel price data.

Energy Type	Definition	Total Volume (kWh)		Calculated Emissions (Tonnes of CO_2e)	
		2023	2022	**2023**	2022
Employee Owned Cars	Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory)	**76,489**	18,632	**17**	4
Total		**76,489**	18,632	**17**	4

Out of Scope

In addition to the emissions reported above, fuels with biogenic content are not required to be reported within the Company's emissions total and are outside of scope.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator.

Intensity Measurement	Turnover (£m)		Intensity Ratio (tCO2e / Turnover £m)	
	2023	2022	**2023**	2022
Tonnes of CO2e per total £m revenue	**265**	240	**0.49**	0.58

The Company has chosen to use tonnes of CO2e per £m Turnover for its Intensity Ratio.

WILLIS GROUP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Energy and Carbon Report 2022 (continued)

Total Emissions

Emission	2023	2022	2021	2020
Tonnes of CO_2e	**131**	**139**	382	601
kWh	**1,748,461**	**1,864,152**	1,873,315	2,738,518
Intensity Ratio	**0.49**	**0.54**	1.57	2.46

Quantification and Reporting Methodology

WTW has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government conversion factors for company reporting database from the Department for Business, Energy and Industrial Strategy (BEIS) for calculating carbon emissions. We consider this energy and emissions accounting has been completed in accordance with reasonable methodology. Utility data was obtained to measure scope 1 and 2 emissions, and where unavailable, proxy data for floor area was used to estimate energy usage and emissions. For scope 1 and 2 only, a proportional approach based on headcount was applied to allocate emissions. For ground transport (both scope 1 and 3), data was obtained from expense claims and converted to fuel volume using global fuel price averages for 2023. The conversion to kWh values was based upon the gross calorific values registered in the database from BEIS.

Energy Efficiency Action

For the 2023 reporting period, the Company has been included in WTW's UK SECR reporting for in scope entities as part of a multi-year effort to migrate datacentres to the cloud, allowing for a shift in operations to a more energy-efficient platform. This is not a completed project but will be progressed in the coming years.

In 2024, WTW efforts will focus on reviewing renewable power purchase opportunities and further develop migration plan options.

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. There were no changes in Directors during the year or after the year end.

Third party indemnity provisions

As is permitted by the Company's Articles of Association and section 232 and 234 of the Companies Act 2006, qualifying third party indemnity provisions were in force during the period and remain in force for the benefit of the Directors (and any officers) of the Company. A fellow group company maintains directors' liability insurance cover for the Company Directors and officers as permitted under the Company's Articles. Such insurance policies remained in force during the period.

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 the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

WILLIS GROUP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Directors' responsibilities statement (continued)

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

This Directors' report was approved by the Board of Directors and authorised for issue on 18 June 2024 and signed on its behalf by:

DocuSigned by:
Michael Cherry
39338740D367415...

MJ Cherry
Director
51 Lime Street
London, EC3M 7DQ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS GROUP SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Willis Group Services Limited ('the Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 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 which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom 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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

We have nothing to report in respect of these matters.

Use of our 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.

DocuSigned by:
76E260FC62F94E9...

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

18 June 2024 | 17:17:45 BST

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £m	2022 Restated (i) £m
Turnover	3	**265**	240
Operating expenses		**(217)**	(209)
Transaction and transformation costs	4	**(36)**	(17)
Operating profit	4	**12**	14
Interest payable and similar charges	7	**(8)**	(9)
Profit before taxation		**4**	5
Tax charge on profit	8	**(2)**	(2)
Profit for the year		**2**	3

(i) see note 1 for more information on the restatement.

All activities derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £m	2022 £m
Profit for the year		**2**	3
Items that will not be classified to income statement:			
Actuarial gain relating to the defined benefit pension scheme	18	—	1
Total comprehensive income for the year		**2**	4

WILLIS GROUP SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	2023 £m	2022 £m
Fixed assets			
Intangible assets	10	**14**	15
Tangible assets	11	**32**	37
Right-of-use assets	12	**144**	161
Investments	13	**—**	—
		190	213
Current assets			
Debtors			
Amounts falling due within one year	14	**120**	87
Amounts falling due after more than one year	14	**10**	12
		130	99
Current liabilities			
Creditors: amounts falling due within one year	15	**(67)**	(52)
Lease liabilities - current	19	**(20)**	(19)
		(87)	(71)
Net current assets		**43**	28
Total assets less current liabilities		**233**	241
Creditors: amounts falling due after more than one year	16	**(23)**	(14)
Provisions for liabilities	17	**(11)**	(11)
Defined benefit pension plan deficit	18	**(4)**	(4)
Lease liabilities - non-current	19	**(169)**	(189)
Net assets		**26**	23
Equity			
Called up share capital	20	**5**	5
Retained earnings	20	**21**	18
Shareholder's equity		**26**	23

The financial statements of Willis Group Services Limited, registered company number 01451456, were approved by the Board of Directors and authorised for issue on 18 June 2024 and signed on its behalf by:

DocuSigned by:
Michael Cherry
393387400367415...

MJ Cherry
Director

WILLIS GROUP SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Called up share capital £m	Retained earnings £m	Total £m
Balance at 1 January 2022		5	39	**44**
Profit for the year		—	3	**3**
Other comprehensive income:				
Actuarial gain on defined benefit pension scheme	18	—	1	**1**
Total comprehensive income for the year		—	4	**4**
Equity-settled share based payment transactions, net of £nil tax		—	1	**1**
Dividends to shareholder		—	(26)	**(26)**
Balance at 31 December 2022		**5**	**18**	**23**
Profit for the year		—	2	**2**
Total comprehensive income for the year		—	2	**2**
Equity-settled share based payment transactions, net of £nil tax		—	1	**1**
Balance at 31 December 2023		**5**	**21**	**26**

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information and accounting policies

General information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company's registered number and the address of its registered office are shown on page 1 of this report.

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) presentation of a cash flow statement; (ii) financial instruments; (iii) key management personnel; (iv) leases; (v) share-based payments; and (vi) new International Financial Reporting Standards ('IFRSs') that have been issued but are not yet effective as, where required, equivalent disclosures are given in the consolidated financial statements of Willis Towers Watson plc.

Going concern

The Directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

The Company's business activities, together with the factors likely to affect its future development, performance and position, including the current and expected impact of changes as a result of world events, are set out in the strategic report. The strategic report further describes the financial position of the Company; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to cash-flow risk, credit risk and liquidity risk.

The Company meets its day to day working capital requirements by being part of a cash pooling arrangement managed by the WTW treasury function which reviews the Company's forecasts and projections, taking account of reasonably possible changes in interest rates, and shows that the Company should be able to operate within the level of its current arrangements.

The Company continues to earn a profit and has generated operating cash flows in the year. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having assessed the responses to their enquiries, including the current and expected impact of changes as a result of world events, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern or its ability to repay loans due 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 a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1. General information and accounting policies (continued)

Parent undertaking and controlling party

The Company's:

- immediate parent company and controlling undertaking is Willis Faber Limited; and
- ultimate parent company and ultimate controlling undertaking 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.

Consolidation

In accordance with Section 401 of the Companies Act 2006, the Company is exempt from the requirement to produce group financial statements, provided certain conditions are met. The Company and its subsidiaries are included in the consolidated audited financial statements of Willis Towers Watson plc for the year ended 31 December 2023, which is resident in The Republic of Ireland. Its financial statements are drawn-up in accordance with accounting standards which are equivalent to UK GAAP consolidated financial statements as required by the Companies Act 2006. These financial statements therefore present the financial position and financial performance of the Company as a single entity.

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 on WTW's website www.wtwco.com, in the Investor Relations section.

Revenue recognition

Turnover, which arises solely in the UK, comprises income on leased assets and fees receivable in respect of management services and recharges of expenses to other WTW undertakings, which are recognised as earned.

Revenue is stated net of VAT.

Interest receivable and interest payable

Interest receivable and interest payable are recognised as interest accrues using the effective interest method.

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 the income statement in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see Financial assets and financial liabilities, below).

Intangible fixed assets

Both acquired and other internally generated assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is calculated on a straight-line basis to write off the cost of such assets over their estimated useful economic lives as follows:

	Rate of amortisation	Months of amortisation remaining
Software and development costs	between 3 and 10 years	19 months

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use; the intention and ability to complete and use the intangible asset; how the intangible asset will generate probable future economic benefits; and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

1. General information and accounting policies (continued)

Intangible fixed assets (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no such asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated on a straight-line basis to write off the cost of such assets over their estimated useful economic lives as follows:

Furniture, fittings and equipment	Between 4 and 10 years
Short (under 50 years)/long leasehold improvements	Over the shorter of the useful life or the period of the lease term

Expenditure for improvements is capitalised; repairs and maintenance are charged to expenses as incurred.

Tangible fixed assets are reviewed for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. Any impairment in the value of tangible fixed assets is charged to the income statement in the period in which the impairment occurs.

Fixed asset investments

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

Pensions and other post-retirement benefits

WTW has a defined benefit pension scheme and a defined contribution pension scheme covering the Company's employees. The defined benefit scheme was closed to new entrants in January 2006, and subsequently a salary freeze was enacted on 30 June 2015. 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.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice.

Certain employees of the Company participate in a WTW defined benefit pension plan. As there is no contractual agreement or stated policy for charging the net defined benefit pension expense between WTW companies, the Company recognises as its pension cost the contributions payable under the scheme during the year. Such costs are charged to the income statement 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 WTW'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 income statement 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.

1. General information and accounting policies (continued)

Pensions and other post-retirement benefits (continued)

Unfunded defined benefit scheme

The unfunded defined benefit scheme is measured at the present value of the benefit obligation at the reporting date.

Share-based Payments

The Company's ultimate parent company, Willis Towers Watson plc, issues equity-settled share-based payments to certain employees of the Company under which the Company receives services from employees as consideration for these awards. The awards are granted by Willis Towers Watson plc.

The fair value of the employee service received in exchange for the grant of the awards is recognised as an expense. A credit is recognised directly in equity. The equity-settled share-based payments are measured at fair value at the date of grant and are expensed on a straight-line basis over the vesting period, based on WTW's estimate of shares that will eventually vest.

Fair value of options is typically measured by use of the Black-Scholes pricing model. The expected life of options granted used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value of each performance-based restricted stock unit is estimated on the grant date using a Monte-Carlo simulation that uses the following assumptions: expected volatility is based on the historical volatility of WTW's shares and the risk-free rate is based on the US Treasury yield curve in effect at the time of the grant.

Prior to 1 April 2022, Willis Towers Watson plc has determined that it will not recharge the cost of the restricted stock units ('RSU's') vesting to the Company, but in some circumstances, when exercised, local taxes are borne by the entity, and not recharged back to group.

From 1 April 2022, Willis Towers Watson plc has determined that for the cost of the RSU's vesting to the Company it will recharge the fair value of the net shares issued and local taxes will be borne by the entity.

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.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements although deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same tax authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are credited or charged 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.

Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

1. General information and accounting policies (continued)

Leases

Property leases - The Company enters into lease agreements, as a lessee, from time to time, primarily for the use of property for office space. It determines if an arrangement is a lease at the inception of the contract, and the nature of its operations is such that it is generally clear whether an arrangement contains a lease and what underlying asset is being leased. Upon entering into leases, it obtains the right to control the use of an identified space for a lease term and recognise these right-of-use assets on the balance sheet with corresponding lease liabilities reflecting the obligation to make the related lease payments. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using incremental borrowing rate, and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Right-of-use assets are amortised to the earlier of the end of their useful life or the end of the lease term.

The Company's property leases supports WTW's London market operations with a lease term to 2032. Property leases often contain options to renew the lease, either through exercise of the option or through automatic renewal. Additionally, certain leases have options to cancel the lease with appropriate notice to the landlord prior to the end of the stated lease term. As the Company enters into new leases it will consider these options as it assesses lease terms in its recognised right-of-use assets and lease liabilities. If the Company is reasonably certain to exercise an option to renew a lease, it includes this period in the lease term. To the extent that it has the option to cancel a lease, it recognises the right-of-use assets and lease liabilities using the term that would result from using this earlier date. If a significant penalty is required to cancel the lease at an earlier date, it assesses its lease term as ending at the point when no significant penalty would be due.

Variable payments - In addition to payments for previously-agreed base rent, many lease agreements are subject to variable and unknown future payments, typically in the form of common area maintenance charges (a non-lease component as defined by IFRS 16) or property taxes. These variable payments are excluded from the lease liabilities and right-of-use assets, and instead are recognised as lease expense within other operating expenses on the income statement as the amounts are incurred. To the extent that the Company has agreed to fixed charges for common area maintenance or other non-lease components, or the base rent increases by an index or rate (most commonly an inflation rate), these amounts are included in the measurement of the lease liabilities and right-of-use assets. The Company has elected the practical expedient under IFRS 16 which allows the lease and non-lease components to be combined in its measurement of lease liabilities and right-of-use assets.

Subleases - From time to time the Company may enter into subleases, as an intermediate lessor, if it is unable to cancel or fully occupy a space and is able to find an appropriate subtenant. However, entering subleases is not a primary objective of the business operations and these arrangements represent an immaterial amount of cash flows. The Company, as an intermediate lessor, classifies its subleases as finance leases or operating leases.

Incremental borrowing rates - As the discount rates implicit in the leases are generally not readily determinable, the Company is required to use judgement in the determination of the incremental borrowing rates used to calculate the present values of its future lease payments. Since the majority of Willis Towers Watson plc group debt is publicly-traded, the property function is centralised, and the treasury function is centralised and generally prohibits Willis Towers Watson plc's subsidiaries from borrowing externally, the Company has determined it appropriate to use the Willis Towers Watson plc group's consolidated unsecured borrowing rate, and adjust for collateralisation in accordance with IFRS 16. Using the resulting interest rate curves from publicly-traded debt at this collateralised borrowing rate, the Company selects the interest rate at lease inception by reference to the lease term and lease currency. All its leases are denominated in Pounds sterling.

Covenants and guarantees - The Company's leases do not subject it to restrictive covenants and contain no residual value guarantees.

1. General information and accounting policies (continued)

Financial assets and financial liabilities

Financial assets and financial liabilities include cash and cash equivalents, and certain other receivables as well as certain other payables (including amounts owed to / by group undertakings) and derivative financial instruments.

The Company classifies its financial assets at amortised cost or at fair value through profit or loss, on the basis of the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value and are subsequently measured at fair value. Gains or losses arising from changes in fair value through profit and loss are presented in the income statement within interest income or expense in the period in which they arise.

Financial assets or financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, and subsequently measured at amortised cost using the effective interest method. Any resulting interest is recognised in interest receivable or interest payable, as appropriate.

At each reporting date, the Company measures the loss allowance for financial assets at amortised cost. Impairment losses on financial assets at amortised cost are recognised in profit or loss on an expected loss basis: lifetime expected losses are recognised for relevant financial assets for which there have been significant increases in credit risk since initial recognition, whereas 12-month expected losses (cash shortfalls over the life of the loan arising from a default in the next 12 months) are recognised if the credit risk on a financial asset has not increased significantly since initial recognition. There would be a rebuttable presumption that the credit risk on a financial asset had increased significantly if it were more than 30 days past due and a rebuttable presumption that a financial asset was in default if it were more than 90 days past due. The amount of any impairment loss is recognised in profit or loss.

The Company uses derivative financial instruments for other than trading purposes to alter the risk profile of an existing underlying exposure. Forward foreign currency exchange contracts are used to manage currency exposures arising from future income and expenses.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in fair value of derivatives that did not qualify for hedge accounting were recorded in the income statement.

Restatement

In the current year, management identified that the depreciation expense and its subsequent recovery (income in assets recharged to other WTW companies) was overstated by £19 million, which resulted in both revenue and operating expenses being overstated by the same amount in the prior year. The restatement has no impact to profit and loss before tax for the year or to net assets. These balances have been restated in the 2022 income statement as follows:

	Previously disclosed	Reclassification	Restated
	£m	£m	£m
Turnover	259	(19)	240
Operating expenses	(228)	19	(209)

Recent accounting pronouncements adopted in the current period

No amendments to International Financial Reporting Standards ('IFRSs') or International Accounting Standards ('IASs') issued or adopted by the International Accounting Standards Board ('IASB') and endorsed by the E.U. that became effective for the Company during the financial year had a significant effect on the Company's financial statements.

1. General information and accounting policies (continued)

Other Legislation

Pillar Two

The Company has adopted the mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Organisation for Economic Co-operation and Development's ('OECD') Pillar Two model rules under the amendments to IAS 12 Income Taxes.

The Finance (No. 2) Act 2023 which was enacted on 11 July 2023 included the legislation to implement the OECD's Base Erosion and Profit Shifting ('BEPS') Pillar Two "Income Inclusion Rule" ('IIR') in the UK. In line with the OECD agreed approach, the UK is also introducing the 'Qualifying Domestic Minimum Top-up Tax' (QDMTT or domestic top-up tax DTT). The legislation will be effective for the financial year beginning 1 January 2024. Based on the size of the WTW Group and its international footprint, the Group and the Company are expected to be within the scope of that legislation. However, the Finance (No.2) Act 2023 includes an election to apply a transitional safe harbour. Based on the most recent country-by-country reporting data, the UK is expected to satisfy the conditions required to exercise the transitional safe harbour election and, therefore, no additional tax is currently expected within the Transition Period. WTW is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

2. Critical accounting judgements and estimates

The preparation of financial statements in conformity with FRS 101 and the application of the Company's accounting policies, which are described in note 1, require 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.

Critical judgements in applying the Company's accounting policies

Sublease identification

Management judgement has been applied in identifying, under IFRS 16, whether the Company's service contracts with fellow subsidiary undertakings include a sublease of which the Company is the intermediate lessor.

Key sources of estimation uncertainty

Impairment of right-of-use assets

Management judgement is required to assess whether right-of-use assets are impaired. Due to the wide variety of factors that play a role in the economic value of these right-of-use assets, it is not possible to conduct a full sensitivity analysis. However management assess that no reasonable possible scenario would result in the recoverable amount of right-of-use assets falling below carrying value.

Lease liabilities

Management judgement is required to determine the incremental borrowing rates used to calculate the present values of the Company's future lease payments. Management has performed sensitivity analysis which indicates that any reasonably possible changes to this assumption would not cause a material change in lease liabilities. For further details see note 1.

3. Turnover

Turnover arises solely in the UK and is analysed in the table below.

	2023	2022
		Restated (i)
	£m	£m
Management charge	**9**	7
Expenses recharged to other WTW companies	**252**	226
Rental income	**4**	7
Total	**265**	240

(i) see note 1 for more information on the restatement.

4. Operating profit

	Notes	**2023** £m	2022 £m
Operating profit is stated after charging/(crediting):			
Amortisation of intangible fixed assets	10	**7**	8
Depreciation of property, plant and equipment:			
Owned	11	**9**	11
Lease-related items:			
Depreciation of right-of-use assets (under IFRS 16)	12	**17**	18
Sublease income		**(4)**	(7)

See note 7 for the interest expense on lease liabilities (under IFRS 16), which is outside operating profit.

Restructuring costs	**2023** £m	2022 £m
Write-off of intangible assets no longer in use	**—**	1

Transaction and transformation costs

Transaction and transformation costs of £36 million incurred in 2023 comprised of lease-related costs, compensation costs and consulting fees related to WTW's Transformation program, as well as legal fees and other transaction costs (2022: £17 million).

Auditor's remuneration	**2023** £000	2022 £000
Audit fees	**368**	402

The Company has not engaged its auditor for any non-audit services.

The Company bore the audit fees of other UK WTW companies in the current and preceding year. These were subsequently recharged to other WTW companies. Fees payable to the Company's auditor for the audit of the Company's annual financial statements pursuant to legislation were £98,000 in 2023 and £104,000 in 2022.

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

5. Employee costs	2023 £m	2022 £m
Wages and salaries	1	2
Contractually employed by the Company	1	2
Amounts recharged from other group undertakings	54	57
	55	59

Wages and salaries include £0.2 million (2022: £0.2 million) for social security costs and £nil (2022: £0.1 million) for other pension costs.

One associate is contractually employed by the Company, this associate's employee costs are included above. All remaining staff working for the Company are contractually employed by other subsidiary undertakings of Willis Towers Watson plc. The Company bears the cost of the salaries, social security payments and pension contributions relating to such staff in order to meet its obligations to other WTW companies.

6. Directors' remuneration

No remuneration was payable to the Directors of the Company in the year (2022: £nil). The Directors are considered to be group employees in both periods and as such are remunerated through other group undertakings. However, a recharge of salaries is made to this entity in respect of services provided by employees of a fellow group company of £54 million (2022: £57 million) of which £0.8 million (2022: £0.7 million) relates to those Directors included in this recharge.

7. Interest payable and similar charges	2023 £m	2022 £m
Interest on lease liabilities (under IFRS 16)	7	8
Interest payable to group undertakings	1	1
Total interest payable and similar expenses	8	9

8. Taxation	2023 £m	2022 £m
(a) Tax charged in the income statement		
Current income tax:		
UK corporation tax	1	1
Adjustments in respect of prior periods	(1)	—
Total current income tax	—	1
Deferred tax:		
Origination and reversal of timing differences	1	1
Adjustments in respect of prior periods	1	—
Total deferred tax (8d)	2	1
Tax charge in the income statement (8b)	2	2

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

8. Taxation (continued)

	2023	2022
	£m	£m
(b) Reconciliation of total tax charge		
The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK 23.5% (2022: 19%).		
Profit before taxation	**4**	5
Tax calculated at UK standard rate of corporation tax of 23.5% (2022: 19%)	**1**	1
Effects of:		
Amounts not deductible for tax purposes	**1**	1
Total tax charge in the income statement (8a)	**2**	2

(c) Change in corporation tax rate

The Finance Act 2021 which received Royal Assent on 10 June 2021, increased the main rate of UK corporation tax (on profits over £250,000) to 25% with effect from 1 April 2023. The change was substantively enacted prior to 31 December 2023 and reflected in these financial statements. As the Company's year end straddles 1 April 2023 a hybrid corporation tax rate of 23.5% is applied to current income tax charge.

	2023	2022
(d) Deferred tax	**£m**	£m
The deferred tax included in the Company balance sheet is as follows:		
Deferred tax asset		
Capital allowances	**9**	11
Other provisions	**1**	1
	10	12

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 the future profits of fellow UK WTW companies.

	2023	2022
Deferred tax in the income statement	**£m**	£m
Accelerated capital allowances	**1**	1
Adjustment in respect of prior periods	**1**	—
	2	1

	2023	2022
9. Dividends paid	**£m**	£m
Equity dividends on ordinary shares:		
Interim paid on 23 September 2022 £5.20 per share	—	26

10. Intangible fixed assets	Software and development costs £m
Cost	
1 January 2023	94
Additions	6
Disposals	(5)
31 December 2023	**95**
Amortisation	
1 January 2023	79
Amortisation charge	7
Disposals	(5)
31 December 2023	**81**
Carrying amount 31 December 2023	**14**
Carrying amount 31 December 2022	15

Following a full year review in 2023, £5 million of intangible fixed assets were disposed of as they were no longer in use.

All intangible fixed assets are considered to have finite lives.

11. Property, plant and equipment	Short leasehold improvements £m	Furniture, fittings and equipment £m	Total £m
Cost			
1 January 2023	59	57	**116**
Additions	2	2	**4**
Disposals	—	(11)	**(11)**
31 December 2023	**61**	**48**	**109**
Depreciation			
1 January 2023	37	42	**79**
Provision for the year	2	7	**9**
Disposals	—	(11)	**(11)**
31 December 2023	**39**	**38**	**77**
Carrying amount 31 December 2023	**22**	**10**	**32**
Carrying amount 31 December 2022	22	15	37

Short leasehold improvements include £21 million at 31 December 2023 (2022: £21 million) subject to operating leases as lessor.

Following a full year review in 2023, £11 million of furniture, fittings and equipment were disposed of as they were no longer in use.

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

12. Right-of-use assets	Land and buildings £m
Cost	
1 January 2023 and 31 December 2023	**229**
Depreciation	
1 January 2023	68
Provision for the year	17
31 December 2023	**85**
Carrying amount 31 December 2023	**144**
Carrying amount 31 December 2022	161

13. Investments held as fixed assets

Direct subsidiary undertakings at 31 December 2023 were:

	Percentage of share capital held	Class of share	Country of incorporation
Holding Company			
Willis Corroon Nominees Limited	100%	Ordinary of £1 each	United Kingdom
Dormant Company			
Willis Group Medical Trust Limited	100%	Ordinary of £1 each	United Kingdom

The registered address for both direct subsidiary undertakings is 51 Lime Street, London, EC3M 7DQ.

14. Debtors	Note	2023 £m	2022 £m
Amounts falling due within one year:			
Amounts owed by group undertakings		**83**	58
Amounts owed by group undertakings in respect of corporation taxation group relief		**20**	12
Other debtors		**13**	12
Prepayments and accrued income		**4**	5
		120	87
Amounts falling due after more than one year:			
Deferred tax asset	8	**10**	12
		130	99

All balances owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

15. Creditors: amounts falling due within one year	2023 £m	2022 £m
Amounts owed to group undertakings	17	8
Income tax and social security	10	9
Other creditors	17	12
Accruals and deferred income	23	23
	67	52

All balances owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

16. Creditors: amounts falling due after more than one year	2023 £m	2022 £m
Amounts falling due after more than one year:		
Amounts owed to group undertakings	23	14
	23	14

Amounts owed to group undertakings are unsecured, repayable after more than one year and subject to interest determined on an arms' length basis

17. Provisions for liabilities	Dilapidation provision £m	Long term disability provision £m	Total £m
1 January 2023			
Current	—	—	—
Non-current	8	3	11
31 December 2023	8	3	11
Analysed as:			
Current	—	—	—
Non-current	8	3	11
	8	3	11

Dilapidation provision

Provisions for property costs relate to dilapidation costs that may be incurred at the end of leases. Dilapidation costs, based on the condition of the properties, are accrued in accordance with the estimated liability arising under the leases. The actual timing of payments is dependent upon the end lease date and negotiations with the landlord.

Long term disability provision

The provision is in respect of the salary costs of individuals who became long term sick prior to 2009. WTW has "self insured" against the costs of continuing to pay these individuals. All persons becoming eligible for long term sick pay from the start of 2009 onwards are now covered by external insurance.

18. 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. 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 WTW's UK companies as a whole.

The most recent actuarial valuation of the Scheme was at 31 December 2023.

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 WTW companies participate in the Scheme. Accordingly all Scheme assets and liabilities are included on the balance sheet of Willis Limited. The Scheme showed an overall surplus before deferred tax of $384 million (£301 million) at 31 December 2023 compared with an overall surplus before deferred tax of $420 million (£349 million) at 31 December 2022. The Scheme contributions were 10% in both 2023 and 2022 for all employed members.

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

The Scheme was closed to new members from 1 January 2006.

On 6 March 2015, a salary freeze for the UK defined benefit pension plan was announced such that, from 1 July 2015, future pay increases will not count towards the calculation of the pension.

Unfunded Defined Benefit Scheme

The Company also operates an Unfunded Defined Benefit Scheme ('the Unfunded Scheme') for a number of pensioners and deferred pensioners in the UK. At 31 December 2023, the Unfunded Scheme has no active members. The Unfunded Scheme was closed to new members in April 2006.

The Company obtained a full actuarial valuation for the Unfunded Scheme. This was carried out at 31 December 2023 by a qualified actuary.

The major assumptions used for the actuarial valuation were:

Unfunded Defined Pension Scheme	**2023**	2022
	%	%
Discount rate	**4.49**	4.85
Inflation assumption (RPI)	**3.01**	3.20
Inflation assumption (CPI)	**2.37**	2.45
Mortality (i)	**86%/83% S3NMA/S3DFA for males/ females, CMI 2021, 1.5% long-term improvement**	**91%/91% S3NA for males/ females, CMI 2021, 1% long-term improvement**

(i) S2NA represents a mortality table; CMI represents assumed improvement in mortality.

At 31 December 2023, the Company recognised a deficit of £4 million on the balance sheet for the present value of Unfunded Scheme liabilities (2022: deficit of £4 million). The Unfunded Scheme has no assets. No deferred taxes have been recognised on the Unfunded Scheme liabilities.

WILLIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

18. Pensions (continued)

Defined Benefit Scheme (continued)

During the year ended 31 December 2023:

- no amounts were charged to operating profit (2022: £nil);
- £0.1 million was charged to net finance charges reflecting the interest on pension scheme liabilities (2022: £0.1 million);
- an actuarial loss was reflected in the statement of comprehensive income of £0.2 million (2022: gain of £1 million);
- contributions by the Company to the Unfunded Scheme were £0.3 million (2022: £0.3 million); and
- benefits paid were £0.3 million (2022: £0.3 million).

The Company expects to contribute approximately £0.4 million to the Scheme in 2023.

The cumulative amount of actuarial loss recognised in the statement of comprehensive income is £0.2 million (2022: £nil).

The duration of the Scheme is approximately 7.74 years (2022: 8.64 years).

Defined Contribution Scheme - LifeSight Master Trust

The Company is the participating employer of a multi-employer defined contribution scheme. Defined contributions paid by the Company in the year amounted to £3 million (2022: £3 million).

19. Commitments and lease liabilities

The Company had not contracted for any capital expenditure on fittings, furniture or equipment as at 31 December 2023 and 31 December 2022.

The Company as a lessee

Lease liabilities

Lease liabilities at 31 December 2023 included £81 million (2022: £104 million) due after more than five years from that date.

Annual commitments under non-cancellable operating leases under IAS 17 were:

	Land and buildings		
	Lime Street	**Other**	**Total**
	2023	**2023**	**2023**
Lease expiry date	**£m**	**£m**	**£m**
After five years	21	6	**27**
Total annual operating lease commitments	**21**	**6**	**27**

The Company provides WTW with its London headquarters. In November 2004, the Company entered into a 25-year agreement with long-time client British Land plc to lease these headquarters for WTW on Lime Street, London. The Company took control of the building in June 2007 and WTW's London based employees moved into the new building at the end of April 2008. The remaining lease term at 31 December 2023 was 8.5 years.

As at 31 December 2023, the outstanding contractual obligation in relation to this commitment was £218 million (2022: £244 million).

The Company's total cash outflow for leases during the year ended 31 December 2023 was £26 million.

19. Commitments and lease liabilities

The Company as an intermediate lessor

The Company has entered into sublease agreements for some of its excess leased space.

Maturity analysis of undiscounted operating lease payments by tenants of the Company under IFRS 16:

Land and buildings	Lime Street 2023 £m
2024	3
2025	2
2026	2
2027	1
2028	1
2029 and onwards	4
	13

20. Share capital and reserves	2023 £m	2022 £m
Allotted, called up and fully paid		
5,000,000 (2022: 5,000,000) ordinary shares of £1 each	**5**	5

The Company has one class of ordinary share, which carries no right to fixed income.

The Company's reserves comprise:

- Retained earnings which represents cumulative profits or losses, net of dividends paid and other adjustments.

21. 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 WTW. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.