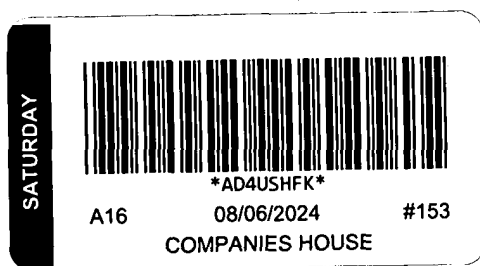


**WILLIS LIMITED**

Registered Number 00181116

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



**WILLIS LIMITED**

**CONTENTS**

	<b>Page</b>
Strategic Report.....	3
Directors' Report.....	26
Independent Auditor's Report.....	36
Income Statement.....	40
Statement of Comprehensive Income.....	41
Balance Sheet.....	42
Statement of Changes in Equity.....	43
Notes to the Financial Statements.....	44

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Company Activities and Review of Developments**

Willis 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.

WTW offers its clients a broad range of services and solutions to help them to identify and control their risks, and to enhance business performance by improving their ability to attract, retain and engage a talented workforce. Our risk control offerings range from strategic risk consulting (including providing actuarial analysis), to a variety of due diligence activities, to the provision of practical on-site risk control services (such as health and safety or property loss control consulting), as well as analytical and advisory options (such as hazard modelling and climate risk quantification). We assist clients in planning how to manage incidents or crises when they occur. This assistance includes contingency planning, security audits and product tampering plans. We help our clients enhance their business performance by delivering consulting services, technology and solutions that help them anticipate, identify and capitalise on emerging opportunities in human capital management, as well as offer investment advice to help them develop disciplined and efficient strategies to meet their investment goals.

Our colleagues serve a diverse base of clients ranging in size from large, major multinational corporations to middle-market companies in a variety of industries, public institutions and individual clients. Many of our client relationships span decades.

Within the WTW offering, the Company predominantly contributes towards risk management and mitigation services as an insurance broker. We act as an intermediary between our clients and insurance carriers by advising our clients on their risk management requirements, helping them to determine the best means of managing risk and negotiating and placing insurance with insurance carriers through our global distribution network. We are not an insurance company and therefore we do not underwrite insurable risks for our own account.

The Company is regulated by the Financial Conduct Authority ('FCA') and is domiciled and incorporated in the UK.

#### ***Developments During the Year***

##### **Transformation Program**

Certain costs must be incurred in order to achieve future efficiency savings. In the fourth quarter of 2021, WTW initiated a three-year 'Transformation program' designed to enhance operations, optimise technology and align its real estate footprint to its new ways of working. The main categories of Transformation activity have been in the following four areas:

- Real estate rationalisation — includes costs to align the real estate footprint to our new ways of working (hybrid work) and includes breakage fees and the impairment of right-of-use assets and other related leasehold assets.
- Technology modernisation — these charges are incurred in moving to common platforms and technologies, including migrating certain platforms and applications to the cloud. This category includes the impairment of technology assets that are duplicative or no longer revenue-producing, as well as costs for technology investments that do not qualify for capitalization.
- Process optimisation — these costs are incurred in the right-shoring strategy and automation of our operations, which includes optimizing resource deployment and appropriate colleague alignment. These costs include process and organisational design costs, severance and separation-related costs and temporary retention costs.
- Other — other costs not included above including fees for professional services, other contract terminations not related to the above categories and supplier migration costs.

During 2023 the Company was engaged in these transformation activities and incurred costs of \$28 million (2022: \$6 million).

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Company Activities and Review of Developments (continued)*****Developments During the Year (continued)*****Willis Re Disposal**

In 2021 WTW entered into an agreement with Arthur J. Gallagher & Co. ('Gallagher'), a leading global provider of insurance, risk management and consulting services, to sell its treaty-reinsurance business ('Willis Re') and certain of WTW's corporate risk and broking and health and benefit businesses. The principal closing date of the deal occurred on 1 December 2021. Although the majority of the Willis Re businesses transferred to Gallagher at Principal Closing, the assets and liabilities of certain Willis Re businesses were not transferred to Gallagher at the time due to local territory restrictions ('Deferred Closing'). The Company completed the final sale of its Reinsurance business, operated through the Dubai branch, during the second quarter of 2022.

In connection with the transaction, the Company reclassified the results of its Willis Re operations as discontinued operations in the income statement and reclassified Willis Re assets and liabilities as held for sale on the balance sheet.

A number of temporary services are continuing under a cost reimbursement Transition Services Agreement ('TSA') in which WTW is providing Gallagher support including real estate leases, information technology, payroll, human resources and accounting. During the third quarter of 2023, the term for these services was extended from November 30, 2023 to May 31, 2024 and may be further extended by Gallagher, in accordance with the terms of the TSA. Fees earned under the TSA were \$7 million in both the years ended December 31, 2023 and 2022, and have been recognized as a reduction to the costs incurred to service the TSA and are included in continuing operations within Other operating expenses. Certain one-off costs incurred in respect of the divestment of \$3 million in 2023 (2022: \$11 million) are presented within transaction and transformation costs in the income statement. See note 11 for further details.

**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.

There have been no other 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.

***The Company's Business Model***

During 2023, the activities of the business segments for WTW and the Company were as follows:

**Risk and Broking**

The Risk and Broking ('R&B') segment provides a broad range of risk advice, insurance brokerage and consulting services to clients worldwide ranging from small businesses to multinational corporations. The segment comprises two primary businesses: Corporate Risk and Broking ('CRB') and Insurance Consulting and Technology ('ICT').

The 'CRB' business places premiums into the insurance markets on an annual cycle, and delivers integrated global solutions tailored to client needs, underpinned by data and analytics through a balanced matrix of global lines of business and local Property and Casualty businesses across all of the Company's three geographical areas: North America, Europe (including Great Britain) and International. Our specialized and data-driven approach is underpinned by our Risk & Analytics proposition as well as our Climate & Resilience Hub.

**Property and Casualty** — Property and Casualty, in each of our geographical areas, provides property and liability insurance brokerage services across a wide range of industries and segments including real estate, healthcare and retail.

The global lines of business as of 31 December 2023 included:

**Direct and Facultative** — Direct provides property and liability insurance brokerage services across a wide range of industries and segments including real estate, healthcare and retail. Facultative capabilities exist for each of CRB's offerings to serve as a broker or intermediary for insurance companies seeking to arrange reinsurance solutions across various classes of risk for their clients, some of which may also be broking clients of WTW.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Company Activities and Review of Developments (continued)**

##### *The Company's Business Model (continued)*

###### Risk and Broking (continued)

**Aerospace** — Aerospace provides specialist expertise to the aerospace and space industries. Our aerospace business provides insurance broking, risk management services, contractual and technical advisory expertise to aerospace clients globally, including the world's leading airlines, aircraft manufacturers, air cargo handlers and other airport and general aviation companies. The specialist InSpace team is also prominent in providing insurance and risk management services to the space industry.

**Construction** — Our Construction business provides services that include insurance broking, claims, loss control and specialised risk advice for a wide range of construction projects and activities. Clients include contractors, project owners, public entities, project managers, consultants and financiers, among others.

**Financial, Executive and Professional Risks ('FINEX')** — FINEX encompasses all financial and executive risks, delivering client solutions that range from management and professional liability, employment practices liability, crime, cyber and M&A-related insurances to risk consulting and advisory services. Specialist teams provide risk consulting and risk transfer solutions to a broad spectrum of clients across a multitude of industries, as well as the financial and professional service sectors.

**Financial Solutions** — Financial Solutions provides insurance broking services and specialised risk advice related to credit, surety, terrorism and political risk to clients that range from corporate to professional services firms and financial institutions including, but not limited to, banks, export credit agencies, multilaterals/development finance institutions, private equity funds and special purpose vehicles.

**Crisis Management** — Our global practice delivers crisis management and contingency risk management to multinational clients, providing comprehensive solutions around terrorism, political violence, accident and health, special crime and active assailant.

**Marine** — Marine provides specialist expertise to the maritime and logistics industries. Our Marine business provides insurance broking services related to hull and machinery, cargo, protection and indemnity, fine art and general marine liabilities, among others. Our Marine clients include, but are not limited to, ship owners and operators, shipbuilders, logistics operations, port authorities, traders, shippers, exhibitors and secure transport companies.

**Natural Resources** — Our Natural Resources practice encompasses the oil, gas and chemicals, mining and metals, power and utilities and renewable energy sectors. It provides sector-specific risk transfer solutions and insights, which include insurance broking, risk engineering, contractual reviews, wording analysis and claims management.

**Surety** — The Global Surety team provides expertise in placing bonds across all industries and around the world. A surety bond is a financial instrument that guarantees contractual performance, statutory compliance, and financial assurance for domestic and international companies.

###### Health, Wealth and Career

The Health, Wealth & Career ('HWC') segment provides an array of advice, broking, solutions and technology for employee benefit plans, institutional investors, compensation and career programs, and the employee experience overall. Our portfolio of services support the interrelated challenges that the management teams of our clients face across human resources ('HR') and finance.

###### **Business Strategy**

The Company's strategy is aligned to the WTW strategy, which is based on the belief that a unified and integrated approach to advisory, broking and solutions can be a path to growth for our organisations around the world. In that spirit, we bring the collective power of our colleagues together – as 'One WTW' – to make smart connections and serve and support our clients.

We operate in attractive markets – both growing and mature – with a diversified platform across industries, segments and businesses globally.

Our vision is to be the best advisory, broking and solutions company for the benefit of all our stakeholders – creating a competitive advantage and delivering sustainable, profitable growth.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Company Activities and Review of Developments (continued)*****Business Strategy (continued)***

We believe we can achieve this through executing on our three strategic priorities – grow, simplify and transform.

- Grow at or above market in priority areas: focus on core opportunities with the highest growth and return; innovate and accelerate our offerings through a dynamic, yet disciplined, approach; bring targeted solutions to clients reflecting more connected offerings; and increase scale to fill gaps in capabilities through inorganic expansion.
- Simplify the business to increase agility and effectiveness: implement the Group's streamlined structure of two business segments (Health, Wealth and Career and Risk and Broking; see 'The Company's Business Model' within this strategic report for further information) and three geographies (Europe, International and North America); develop a globally consistent client management model and enhance operations to improve sales and retention outcomes; manage our portfolio of businesses to drive optimal value; and increase speed of execution through agile decision-making processes.
- Transform operations to drive savings while enhancing our client and colleague experiences: maximise global platforms to be as common as possible and as distinct as necessary; right-shore operations to capitalise on our scale; rationalise real estate and build new ways of working; and modernise technology to enhance the digital experience.

Through these strategies we aim to grow revenue, improve margins and increase cash flow, EBITDA and earnings.

We care as much about how we work as we do about the impact that we make. This means commitment to a shared purpose and values, a framework that guides how we run our business and serve clients. Our values of client focus, teamwork, integrity, respect and excellence underlie all that we do, and how we behave and interact with each other, our clients and our partners.

***Key Financial Highlights and Key Performance Indicators***

The Company's key financial and other performance indicators during the year were as follows:

	2023	2022	Movement	% Change
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	
Turnover (i)	637	590	47	8 %
Operating expenses - excluding foreign exchange gain / (loss) (i)	(487)	(432)	(55)	13 %
Operating income/(expense) – foreign exchange gain/(loss) (i)	29	(93)	122	131 %
Profit before taxation (i)	197	-	197	-
Shareholders' equity (ii)	856	1,020	(164)	(16)%
Current Assets as % of Current Liabilities	142 %	129 %		
Average number of employees	2,726	2,564		

(i) Derived from continuing operations.

(ii) Derived from total operations.

WTW manages its operations on a business segment basis. For this reason, the Company's Directors believe that key performance indicators for the Company are not meaningful 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 financial statements which do not form part of this report.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Company Activities and Review of Developments (continued)**

##### ***Financial Results for the Year Ended 31 December 2023***

In 2023, the Company's turnover was \$637 million, a \$47 million, or 8 percent, increase on 2022 turnover of \$590 million. This increase was driven by:

- \$30 million underlying brokerage and fee increase in our primary segment of Risk and Broking, driven by increases in the Property & Casualty and Crisis Management businesses in GB, partially offset by decreases in the International Risk and Broking business following the cessation of Russian business in 2022; and
- \$27 million increase in interest and investment income on our fiduciary cash holdings as a result of significant interest rate increases in the UK and US;

partly offset by:

- \$10 million decrease in other income, primarily in group eliminations and corporate functions.

Operating expenses were \$487 million in 2023, a \$55 million, or 13 percent, increase on 2022 operating expenses of \$432 million. This increase was driven by:

- \$71 million salary and benefits cost increase, driven by inflationary increases and investment hiring during 2023; and
- \$5 million increase in travel and entertainment expenses,

partly offset by:

- \$16 million decrease in corporate allocations recharged by other group companies; and
- \$5 million decrease in other expenses, including professional insurance.

Operating profit was additionally impacted by:

- \$122 million favourable impact from foreign exchange with a gain of \$29 million in 2023 versus a loss of \$93 million in 2022, largely attributed to the favourable exchange rate movements when revaluing the sterling denominated net pension scheme asset into US dollar;
- \$70 million reduction in impairment, relating to the cessation of the Russian business; and
- \$1 million increase in profit on disposal of operations,

partly offset by:

- \$14 million increase in compensation costs, consulting and legal fees and other transaction costs relating to transformation.

Total operating profit of \$150 million in 2023 was \$171 million, or 814 percent, higher than 2022 operating loss of \$21 million.

Profit before taxation of \$197 million in 2023 was \$197 million, higher than 2022 profit before tax of nil. The increase was driven by:

- the increase in operating profit as described above; and
- \$26 million increase in the net of interest receivable and interest payable, attributed to an increase in interest rates on loans receivable from intercompany entities.

Profit for the year from continuing operations of \$149 million in 2023 was \$139 million higher than 2022 profit for the year from continuing operations of \$10 million. This was a result of the \$197 million increase in profit before tax, discussed above, in addition to a \$58 million increase in the tax charge on profit.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Company Activities and Review of Developments (continued)**

##### ***Financial Results for the Year Ended 31 December 2023 (continued)***

Profit for the year of \$161 million in 2023 was \$112 million, or 229 percent, higher than 2022 profit for the year of \$49 million. This was a result of the \$139 million increase in profit for the year from continuing operations, discussed above, in addition to \$27 million decrease in profit for the year from discontinued operations as a result of:

- \$17 million reduction in profit on disposal of operations, with the principal close of the Reinsurance transaction occurring in 2021, and the subsequent Dubai branch Reinsurance business sale completing in 2022;
- \$9 million decrease in revenues from discontinued operations; and
- \$1 million increase in corporation tax charge on discontinued operations.

##### ***Shareholder's Equity and Other Resources***

Shareholder's equity of \$856 million in 2023 declined by \$164 million from \$1,020 million in 2022, reflecting decreases from:

- \$277 million dividend payments and other distributions; and
- \$83 million actuarial loss related to the defined benefit pension scheme net asset, consisting of a \$124 million decrease in scheme assets following lower asset returns and actuarial experience gains and changes in actuarial assumptions of \$101 million arising on scheme liabilities partly offset by a \$60 million increase in scheme liabilities primarily attributable to a change in actuarial financial and demographic assumptions in the year,

partly offset by:

- \$161 million profit for the year as described above;
- \$20 million deferred tax decrease to equity attributed primarily to other comprehensive income movements on the pension scheme net asset;
- \$10 million of equity-settled share-based payments; and
- \$5 million unrealised gain and reclassification of prior period gains and losses, attributed to the fair value of derivative instruments (forward currency sales) following movements in the value of the pound sterling, Euro and Japanese Yen to the US dollar during the year.

The Directors review the adequacy of the Company's capital relative to the risks it faces on a regular basis.

The Company maintains a \$20 million revolving credit facility which is renewed annually and is secured against the Company's real estate assets. It was not drawn upon during 2023 or 2022.



## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Company Activities and Review of Developments (continued)**

##### ***Balance Sheet***

The balance sheet on page 42 of the financial statements shows the Company's financial position at the year end. Net assets, including pension plan surplus, of \$856 million in 2023 have decreased by \$164 million on 2022 net assets, including pension plan surplus, of \$1,020 million. The decrease was driven by:

- \$885 million decrease in deposits and cash held in bank, following the transfer of the Reinsurance client portfolio in the year, comprising \$870 million decrease in cash held in a fiduciary capacity and a \$15 million decrease in own cash held;
- \$184 million decrease in net amounts receivable from group undertakings;
- \$36 million decrease in the net defined benefit pension asset;
- \$19 million increase in accrued expenses, deferred income and other creditors;
- \$1 million increase in income tax and national insurance payable;
- \$3 million decrease in tangible fixed assets; and
- \$1 million increase in net VAT payable,

partly offset by:

- \$870 million decrease in fiduciary creditors following the transfer of the Reinsurance client portfolio in the year;
- \$49 million decrease in trade creditors;
- \$14 million increase in trade debtors, of which \$15 million of the increase is on amounts falling due within one year in addition to an \$1 million decrease on amounts falling due after more than one year;
- \$14 million decrease in deferred tax liability;
- \$13 million increase in prepayments, accrued income and other debtors; and
- \$5 million decrease in net liability of the fair value of derivative instruments.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Company Activities and Review of Developments (continued)*****Future Developments***

There are no significant future developments as at the date of these financial statements.

***Defined Benefit Scheme***

The latest funding valuation of the Scheme was performed at 31 December 2022. Based on the preliminary results of this valuation, a revised Schedule of Contributions was agreed in July 2023. Following completion of the valuation in March 2024, an updated Schedule of Contributions was agreed from that date. Under these Schedules of Contributions, no further Company contributions are payable to the Scheme from July 2023, other than those paid on behalf of the Scheme members via the Salary Sacrifice arrangement.

The contributions paid by the Company for 2023 (excluding salary sacrifice contributions) amounted to £4 million (\$5 million), comprised solely of regular contributions. The contributions paid by the Company for 2022 (excluding salary sacrifice contributions) amounted to £9 million (\$11 million).

**Capital Management Policy**

As an insurance intermediary regulated by the Financial Conduct Authority ('FCA'), the Company's capital requirements are set out in both the Threshold Conditions and MIPRU requirements within the FCA Handbook. The Company's policy is to review its capital requirements on a regular basis and to maintain capital resources of at least twice that requirement.

**Principal Risks and Uncertainties**

The Company has an Enterprise Risk Management Committee that meets at least quarterly. This Committee is a Committee of the Board and advises the Board on risk matters including overseeing the Risk Management Framework and the assessment and monitoring of risk against the Company risk appetite. The principal risks and uncertainties facing the Company are:

***Change Risk***

WTW and the Company are typically subject to ongoing business and organisational changes as well as multi-year operational improvement programmes. There are also a number of other initiatives planned or ongoing to transform our systems and processes and gain efficiencies. Effectively managing these organisational changes is critical to retaining talent, servicing clients and our business success overall. The failure to effectively manage such risks could adversely impact our resources or business or financial results. The Company manages this risk through robust change governance processes, mechanisms to retain key colleagues, delivery of the planned operational improvement programme benefits and through ongoing monitoring of key performance indicators designed to provide early notice of declining performance. The Company has a robust approach to change management and the relevant governance forums are utilised to consolidate activity and monitor and adjust that activity to reflect the resource and change capability available from time to time.

The completion of the agreed-upon transaction to sell our Willis Re business to Gallagher, which has occurred in all jurisdictions globally, entails important risks, including, among others:

- the risk that the post-closing transition arrangements, which are complex, may impose costs or liabilities or may give rise to errors in execution, be distracting to our management, or cause disruption to our business or our relationships with clients, colleagues, suppliers, regulators, competitors, and other third parties;
- the risk that transaction and/or transition costs may be greater than expected, including as a result of the complexity of the transition arrangements in domestic and international jurisdictions across the globe; and
- the risk that litigation associated with the Gallagher transaction or with contingent liabilities we have retained, if any, arises.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Principal Risks and Uncertainties (continued)*****Exposure to WTW***

The Company is a wholly-owned subsidiary of WTW. WTW is a leading global advisory, broking and solutions company, is listed on the NASDAQ and has total assets at 31 December 2023 of US\$29 billion. The Company is dependent upon its ultimate parent company and WTW for ongoing support in a wide range of areas, including the provision of operational and technology services and delivery of a number of key projects and initiatives. The Company also deposits surplus funds with WTW.

WTW is dependent upon the Company for its access to the London Insurance Market and related expertise. The Directors expect the support from WTW to continue for the foreseeable future. The Company is exposed to additional risks by virtue of being part of the wider group. These risks have been discussed in WTW's financial statements which do not form part of this report.

The Board considers the Company's exposure to WTW when setting the Company's capital requirement and risk appetite. The Company maintains and regularly refreshes a detailed response plan to provide a framework to enable the timely notification, invocation and management of the initial response to a Parental Failure scenario through documented processes.

***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, resulting in significant inflation and fluctuating interest rates in many of the markets in which we operate. This impacts not only the cost of and access to liquidity, but also other costs to run and invest in our business.

Other global economic events, such as monetary and fiscal policy and geopolitical tensions beyond the ongoing wars, have also contributed to significant inflation across the globe. In particular, inflation in the United States, Europe, and other geographies has risen to levels not experienced in recent decades and we are seeing its impact on various aspects of our 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 our operating and general and administrative expenses, and we have 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 we hold on behalf of customers and pension-related income.

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

***Competition***

The markets for our principal services are highly competitive. Competition for business is intense in all of our business lines and in every insurance market, and some competitors have greater market share in certain lines of business than we do. Some of our competitors have greater financial, technical and marketing resources than us, which could enhance their ability to finance acquisitions, fund internal growth and respond more quickly to market and technological changes. New competitors, as well as increasing and evolving consolidation or alliances among existing competitors, have created and could create additional competition and could significantly reduce our market share, resulting in a loss of business for us and a corresponding decline in revenue and profit margin. In order to respond to increased competition and pricing pressure, we may have to lower our prices, which would also have an adverse effect on our revenue and profit margin.

In addition, existing and new competitors (whether traditional competitors or non-traditional competitors, such as technology companies) could develop competing technologies or product or service offerings that disrupt our industries. Any new technology or product or service offering (including insurance companies selling their products directly to consumers or other insureds) that reduces or eliminates the need for intermediaries in insurance or reinsurance sales transactions could have a material adverse effect on our business and results of operations. Further, the increasing willingness of clients to either self-insure or maintain a captive insurance company, and the development of capital markets-based solutions and other alternative capital sources for traditional insurance and reinsurance needs, could also materially adversely affect us and our results of operations.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Principal Risks and Uncertainties (continued)*****Acceptance of Market Derived Income***

Willis Limited, in common with the wider insurance intermediary market, has traditionally been remunerated by base commissions paid by insurance carriers in respect of placements we make for clients, or by fees paid by clients. We also obtain other revenue from insurance carriers, commonly known as market derived income or 'MDI'. MDI is derived directly from carriers in their capacity as insurance markets (as opposed to as corporate clients of the intermediaries where they may be purchasing insurance or reinsurance or other non-market related services). MDI is an area in which allegations of conflicts of interest may arise, where the Company or any of its employees has or may have an interest in a transaction or engagement that is inconsistent with our clients' interests. MDI takes a variety of forms, including volume- or profit-based contingent commissions, facilities administration charges, business development agreements, and fees for providing certain data to carriers. Willis Limited has a duty to act in the best interests of their clients and the Company has processes, procedures and controls in place intended to mitigate potential conflicts overseen by the Market Derived Income Committee.

***Pension Risks***

The Company's defined benefit pension scheme was closed to new members in January 2006 but continues to accrue future benefits for existing members. Under Financial Report Standard 101 - Reduced Disclosure Framework ('FRS 101'), the net asset recorded within the financial statements in respect of the pension scheme fund for 2023 is \$384 million (2022: \$420 million). The liabilities of the pension scheme, and a large proportion of the assets of the scheme, are denominated in pounds sterling, which gives exposure to currency risks. The scheme valuation is subject to assumptions and other factors, including equity and bond market returns, inflation rates, mortality assumptions, potential regulatory and legal changes and counterparty exposure in investments.

The latest funding valuation of the Scheme was performed at 31 December 2022. Based on the preliminary results of this valuation, a revised Schedule of Contributions was agreed in July 2023. Following completion of the valuation in March 2024, an updated Schedule of Contributions was agreed from that date. Under these Schedules of Contributions, no further Company contributions are payable to the Scheme from July 2023, other than those paid on behalf of the Scheme members via the Salary Sacrifice arrangement. These contributions are expected to total £1.8m (\$2.3m) in 2024.

The next funding valuation will be performed no later than as at 31 December 2025. Pension risks are mitigated through a balanced approach to investments held and a proactive relationship with the Scheme Trustee, including an agreed funding strategy.

***Regulatory, Legal and Conduct Risk***

The Company is subject to regulation from the FCA in relation to its insurance mediation activities. The FCA has prescribed principles for business and rules by which the Company's insurance and reinsurance operations are to conduct business, including the rules governing how the Company holds client assets.

The FCA has three operational objectives:

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

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Principal Risks and Uncertainties (continued)*****Regulatory, Legal and Conduct Risk (continued)***

Furthermore, since 2023 the FCA also now has a secondary objective to facilitate the international competitiveness and growth of the UK economy in the medium to long term (subject to alignment with international standards). Central to the regulator's agenda are their commitments to reduce and prevent serious harm; set and test higher standards and promote competition and positive change. Any failure by the Company, or its employees, to satisfy the FCA that it is in compliance with their requirements or the legal requirements governing its activities, could result in disciplinary actions, fines, reputational damage and financial harm. In addition, the FCA extended the Senior Managers and Certification Regime ('SMCR') which became effective on December 9, 2019. The SMCR is designed to drive improvements in culture and governance within financial services firms and to deter misconduct by increasing individuals' accountability. We continue to focus on reducing potential consumer harm through the review of appropriate metrics and taking appropriate action as necessary. In 2023, the FCA also introduced new requirements to establish a Consumer Duty to set higher and clearer standards of consumer protection across financial services and requires firms to put their customers' needs first. The Company has strengthened existing processes, procedures, governance and reporting in order to meet these requirements and proactively identify instances of potential foreseeable harm. These requirements are only applicable to smaller clients falling within the FCA's Retail Customers' definition and introduced a new FCA principle to ensure that *a firm must act to deliver good outcomes for retail customers*.

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

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

***Errors and Omissions Exposures***

As a consequence of the business sector the Company operates in, claims alleging professional negligence may be made against the Company. Some of these claims may have a material adverse impact on the Company's profitability, cash and capital position. The Company mitigates this risk through the use of the Client Excellence Model, which is designed to provide a consistent high level of service and quality to the Company's clients. In addition, the Company has taken out its own programme of insurance cover in respect of these risks.

***Liquidity Risk***

Liquidity risk is the risk that the Company may not have sufficient cash available to meet its obligations as they fall due. The Company assesses the potential scenarios in which this might take place and maintains significant cash and liquid funds to mitigate the risk. In the ordinary course of business the Company can also rely on WTW's liquidity. In addition, the Company has access to a \$20 million credit facility.

***Currency Risk (Fx)***

The Company conducts its business in multiple currencies, primarily US dollars, pounds sterling, Euro and Japanese Yen, and is therefore exposed to currency risk in relation to revenue and the value of its assets and liabilities. The Company has intercompany balances with fellow group undertakings in currencies other than US dollars, the primary functional currency of the Company, and is therefore exposed to movements in exchange rates. The Board has established and monitors a policy with clear limits and processes to be followed to manage this risk. In addition, WTW's treasury function takes out contracts to manage this risk at a group level.

***Credit Risk***

Credit risk is the risk that counterparties may not be able to repay amounts in full when due. This risk arises in respect of amounts due from clients and insurers in respect of brokerage not yet received, funded claims and funded premiums. It also arises in respect of its cash and investment holdings. The Company is also potentially exposed to credit risk from its investments in its subsidiary undertakings and in situations where it has amounts due from its subsidiary undertakings. An impairment allowance would be made if there were to be an identified loss event which would evidence a potential reduction in the recoverability of the cash flows. No such event has been identified.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Principal Risks and Uncertainties (continued)*****Credit Risk (continued)***

Brokerage not yet received is monitored closely to minimise the time taken to collect. The risk of funded claims and premiums is mitigated by the Company's policy of only funding claims and premiums in exceptional circumstances and then through active collection of the debts created.

The failure of one or more banks may have an adverse impact on the Company. The Company holds its own and fiduciary cash in bank accounts and deposits and money-market funds. These accounts and deposits are spread across a number of banks. The Company does not place any funds in banks with a short-term credit rating below Standard and Poor's of A1 or Moody's rating of P1. Banks with which the Company has a credit exposure are monitored monthly. In the event of a bank failure, the FCA's Client Asset Sourcebook ('CASS') rules set out the mechanism by which any loss of client money should be administered. The Company has reviewed its processes for complying with these rules and continues to implement changes to further strengthen them. The Company mitigates its exposure to credit risk through the diversification of funds between approved banks and through a programme of reduction of fiduciary balances where possible.

The Board has established and monitors a policy with clear limits and processes to be followed to manage these risks.

***Interest Rate Risk***

The Company's investment portfolio is held over a variable maturity profile and therefore exposes the Company to interest rate risk. The Company mitigates this risk through active investment portfolio management.

***Business & Technology Interruption Risk***

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

***Outsourcing Risk***

As part of providing services to clients and managing our business, we rely on a number of third-party service providers. Our ability to perform effectively depends in part on the ability of these service providers to meet their obligations, as well as on our effective oversight of their performance. The quality of our services could suffer or we could be required to incur unanticipated costs if our third-party service providers do not perform as expected or their services are disrupted. This could have a material adverse effect on our business operations. The Company manages this risk through processes of supplier and partner selection, due diligence, onboarding and an ongoing programme of monitoring and review to ensure that our outsource partners remain appropriate.

***Data Security Risk***

We depend on information technology networks and systems to process, transmit and store electronic information and to communicate among our locations around the world and with our alliance partners, insurance carriers, insurance markets, clients and third-party vendors. One of our significant responsibilities is to maintain the security and privacy of our clients' confidential and proprietary information and the personal data of their customers and/or employees. Our information systems, and those of our third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. We are the target of computer viruses, hackers, distributed denial of service attacks, malware infections, ransomware attacks, phishing and spear-phishing campaigns and other external hazards, as well as improper or inadvertent workforce behaviour which could expose confidential company and personal data systems and information to security breaches.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Principal Risks and Uncertainties (continued)*****Data Security Risk (continued)***

Many of the software applications that we use in our business are licensed from, and supported, upgraded and maintained by, third-party vendors. Our third-party applications include, but are not limited to, enterprise cloud storage and cloud computing application services provided and maintained by third-party vendors. These third-party applications store or may afford access to confidential and proprietary data of the Company, our employees and our clients. We have processes designed to require third-party vendors that supply IT outsourcing, off-site storage and other services to agree to maintain certain standards with respect to the storage, protection and transfer of confidential, personal and proprietary information. However, this data is at risk of compromise or unauthorised access or use in the event of a breakdown of a vendor's data protection processes, a data breach due to the intentional or unintentional non-compliance by a vendor's employee or agent, or as a result of a cyber-attack on the product, software or information systems of a vendor in our software supply chain. Further, the potential impact of a data breach of our third-party vendors' systems increases as we move more of our data and our clients' data into our vendors' cloud storage, we engage in IT outsourcing or we consolidate the group of third-party vendors that provide cloud storage or other IT services for the Company.

We maintain policies, procedures and technological safeguards (such as, where in place, multi-factor authentication and encryption of data in transit and at rest) designed to protect the security and privacy of data in our custody and control. However, we cannot entirely eliminate the risk of data security breaches, improper access to, takeover of or disclosure of confidential company or personally identifiable information. Our technology may fail to adequately secure the private information we hold and protect it from theft, computer viruses, hackers or inadvertent loss. In such circumstances, we could be held liable to our clients, which could result in legal liability or impairment to our reputation, resulting in increased costs and/or loss of revenue.

The methods used to obtain unauthorised access to, disable or degrade service or sabotage the Company's systems are also constantly evolving, are increasingly sophisticated, and may be difficult to anticipate or detect. To our knowledge, these incidents have not had a material impact on our business or operations thus far. However, our reputation could be harmed and our business and results of operations could be materially and adversely affected if we were to be the target of such attacks in the future or if, despite our controls and efforts to detect breaches, we were to be the victim of an undetected breach.

We have implemented and regularly review and update processes and procedures to protect against fraud or unauthorised access to or use of secured data and to prevent data loss. The ever-evolving threats mean that we and our third-party service providers and vendors must continually evaluate, adapt, enhance and otherwise improve our respective systems and processes, especially as we grow our mobile, cloud and other internet-based services. There is no guarantee that such efforts will be adequate to safeguard against all fraud, data security breaches, unauthorised access, operational impacts or misuses of data. For example, our policies, employee training (including phishing prevention training), procedures and technical safeguards may be insufficient to prevent or detect improper access to confidential, personal or proprietary information by employees, vendors or other third parties with otherwise legitimate access to our systems. Any future significant compromise or breach of our data security or fraud, whether external or internal, or misuse of client, colleague, supplier or company data, could result in additional significant costs, lost revenue opportunities, disruption to operations and service, fines, lawsuits, and damage to our reputation with our clients and in the broader market.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Principal Risks and Uncertainties (continued)**

##### **Environment**

The Company recognises the importance of its environmental responsibilities and through WTW monitors its impact on the environment on a location by location basis, and designs and implements practices to reduce damages that might be caused by its activities. We participate in The Clean City Awards, a programme developed and run by the City of London to promote and reward best practices in waste management for London businesses.

The below illustrates some notable activities that are further helping reduce our environmental impact across WTW:

- Reduced paper use and increased recycling have been a focus for several years throughout the Group. This has included a focus on reducing print volumes, and therefore paper and equipment usage, by implementing print on demand technology and scanning capabilities and by offering fewer printers in office space. We have also increased the availability and use of online meeting and records management tools that reduce their overall reliance on paper-based materials. This has resulted in our ability to reduce paper consumption while also recycling several million pounds of paper each year;
- We encourage our colleagues to participate in office-based recycling programmes and paperless recordkeeping, our offices to replace personal printers with networked multi-function devices and procure recycled supplies, and our IT programmes help to properly dispose and recycle or donate obsolete computer and other equipment;
- We raise awareness for and provide information about environmental sustainability and corporate responsibility to our colleagues through internal news stories, communications and the ESG report; and
- We support our suppliers', subcontractors' and service providers' progress to environmental sustainability. We encourage this through increasing our demand for and use of goods that are developed in a sustainable way and contribute to a reduced carbon footprint. Since our direct impact on the environment largely comes from office-based operations, our priority is procuring sustainable choices by negotiating a wide variety of office product options that focus on reducing our carbon footprint. Recycled office supplies, paper, toner, kitchen and pantry products, and cleaning products are available as part of our main corporate agreements with our suppliers.

The Company does not measure performance against specific environmental key performance indicators at this time, but aligns with Group measures and strategy. The Company's focus on the broader Environmental & Social Governance (ESG) is outlined within the next sections in terms of its Employees (including Inclusion and Diversity, Gender pay gap), Corporate & Social responsibility, and Environment and Community. Energy & Carbon reporting is also included within the Directors' report.



## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Employees**

##### *Employee Matters*

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 54.

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

We are committed to demonstrating to our stakeholders and communities that we are a responsible and ethical business partner and good corporate citizen by conducting our business based on our global Code of Conduct, Respect at Work and Anti-Harassment Policy, and our Company values, which emphasise managing our relationships, inside the Company and out, with fairness, decency and good citizenship. Our policy is that adherence is compulsory and enforced, with reported violations investigated promptly, and demonstration of values formally assessed during annual performance reviews and incorporated into a colleague's overall performance rating. Colleagues may raise concerns anonymously or confidentially through our Whistleblowing hotline, online or by phone. Mandatory training on our Code of Conduct is delivered to all colleagues annually and completion rates are monitored.

We partner with our clients and communities to help address their social and economic challenges. For example, we participate in the Insurance Development Forum, a public/private partnership led by the insurance industry and international organizations (such as the United Nations and the World Bank) that aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses and public institutions that are vulnerable to disasters and their associated economic shocks.

Additionally, as a professional services company, WTW endeavours to enable our colleagues to reach their full potential by fostering a culture of mutual respect, an inclusive and diverse work environment, professional development opportunities, safe working conditions and fair hiring and labour standards. Each year, our leaders cascade inclusion and diversity focused objectives throughout the organization, and we continue to look for ways to provide for an objective and fair process that mitigates human biases in our talent programs and processes.

While we believe the nature of our business as a professional services provider to predominantly corporate clients means that we are not directly exposed to a high risk of modern slavery and human trafficking, we are nonetheless aware that the possibility does exist within our global supply chains. We have a formal global human rights statement (see [wtwco.com](http://wtwco.com) for further detail), and our approach to modern slavery reflects our overall approach to human rights. Willis Limited has produced a Modern Slavery Act Transparency Statement, most recently for the financial year ending 31 December 2023. We work with other WTW entities to combat modern slavery and human trafficking in the business structure and have a cross-functional modern slavery working group that continues to coordinate a Company-wide approach. As part of WTW, the Company is committed to maintaining and improving practices to combat the human rights violations of slavery and human trafficking. The UK Modern Slavery Working Group has continued investigations into our supply chain to advance a standardised approach to assessing the risk of modern slavery and human trafficking.

To ensure a high level understanding of the risks of modern slavery and human trafficking amongst those of our colleagues engaged in our large enterprise-wide supplier arrangements, we have continued to train across key departments so that relevant employees are aware of the risks and warning signs. We continue to standardise Company-wide modern slavery and human trafficking requirements for our large enterprise-wide supplier arrangements to provide for a coordinated approach.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Employees (continued)*****Inclusion and Diversity (I&D)***

We believe that when our individual talents are combined, we unlock our collective potential. We further believe that we are better together because each of us is different. As reflected in the three focus areas of our ongoing multiyear I&D strategy we are taking action to increase representation and overall diversity throughout our talent pipeline:

- Attract and hire to grow our talent pipeline of colleagues from underrepresented communities;
- Develop and promote to increase the overall diversity in leadership; and
- Promote an inclusive culture that respects each other's differences and celebrates what is unique about each of us.

A key underlying theme of these priorities is a sharpened focus on our female talent and an aspirational goal to increase gender balance in leadership levels across the Company. This focus directly supports the statement WTW made when we joined the Paradigm for Parity® ('P4P') coalition in 2016. P4P is committed to reaching gender parity in leadership by 2030.

In 2023 we continued programs for underrepresented talent by growing our Career Accelerator Program, which is aimed at mid-level women and addresses the potential barriers that underrepresented talent faces in career advancement.

In 2023 we introduced Leadership Effectiveness Acceleration Program (LEAP): LEAP is a company-wide global program to retain, accelerate the development of and expand opportunities for women who are currently demonstrating the potential for senior leadership. This program was first launched in 2022 as a pilot program called The Next Three. Following the success of the pilot, the program has an enhanced curriculum for increasing readiness for senior leadership roles. The program also includes dedicated external coaches and direct alignment to innovation projects.

I&D priorities are included in our executive officers' overall individual performance objectives and each year our leaders cascade I&D priorities throughout the organization, and we continue to reinforce objective and fair processes that mitigate bias in our talent programs and processes.

Our global I&D council, sponsored by our CEO and by our CHRO, sets the standard for our I&D initiatives globally. It is driven by regional councils that provide local perspectives and help to translate our global priorities into actions within each region. Willis Limited leaders actively participate in the GB I&D Council.

Our colleague inclusion networks are company - supported groups that are open to all colleagues. They are important components of our I&D strategy and help us better connect with each other, our clients and the communities in which we operate. They provide a platform for colleague dialogue and collaboration on initiatives related to talent attraction and retention while raising awareness and fostering a more inclusive culture.

- Gender Equity focuses on the career development and advancement of women and supports companywide efforts to achieve our Paradigm for Parity commitment;
- LGBT+ engages colleagues from across the diverse spectrums of sexual orientation and gender identity;
- Multicultural embraces cultural diversity and educates on differences in race, ethnicity, religion, language and culture;
- Workability aims to increase understanding of disability, wellbeing and health-related matters at work; and
- Early Career Professionals creates a community of connected, engaged, well-informed and career-confident young professionals.

Throughout the year, the networks host inspirational and educational events to raise awareness, recognise events on our global diversity calendar and celebrate locally important days. Our calendar enables us to broaden the scope of our messaging while continuing to reinforce the importance of these observances.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Employees (continued)**

##### ***Gender Pay Gap Reporting***

We continue to hold our I&D agenda at the heart of our business strategy and accelerate plans to deliver that strategy. We value everyone's unique identity, experiences, wellbeing and individual needs. We have made encouraging progress since gender pay gap legislation was first introduced in 2017, and WTW remains committed to reducing the gap further.

Willis Limited's 2023 data can be obtained from [www.wtwco.com](http://www.wtwco.com). Consistent with many of our competitors and our sector, we continue to record a gender pay gap that is higher than we would like and not reflective of the company that we aspire to be. In Willis Limited, there is a 2.2.% decrease over last year in our mean gender pay gap and this represents a continuing positive trend. The overall gap is now 30.1% and we are committed to reducing it further year on year.

The primary reason for our gender pay gap is the size and shape of our workforce. We have a higher number of men than women in senior roles, which attract higher levels of remuneration. We also have more women than men in junior roles, which has a further effect in widening the gap. The combination of these result in average male pay being higher than average female pay overall, resulting in a gender pay gap. Both hourly pay and bonus gaps reflect this.

We know that closing the gender pay gap will require time. Men outnumber women after the first step up into a managerial role, and therefore there are fewer women available internally for progression to senior management roles. Even as our hiring and promotion rates improve, to fully close our gender pay gap, we need gender parity across our population. This will take time, determination and commitment from across the Company to close the gender pay gap as quickly as possible.

Over the last five years, we have implemented several changes and initiatives and talked about our gender pay gap with our company board of directors, leadership team, and colleagues to raise awareness and seek their input. We are striving to accelerate this rate of improvement in the coming years, and we all have a part to play in achieving this as we work towards our Paradigm for Parity commitment to achieve gender parity in senior leadership by 2030.

While the focus of the gender pay gap is on pay differences between males and females, we recognise gender is not binary and some of our colleagues may not identify as such. We support the fair treatment and reward of all colleagues, irrespective of gender identity, and continue to promote an inclusive culture for all colleagues. Our commitment to inclusion and diversity extends beyond gender and we want every colleague at WTW to be able to bring their best selves to work every day from many different backgrounds. To do that, we continue to focus on building a culture of inclusivity and embedding inclusion and diversity into everything we do.

##### **Anti-Bribery and Anti-Corruption**

The Company is subject to global anti-bribery and anti-corruption policies and procedures which apply to all colleagues in entities owned and/or controlled by WTW, suppliers to WTW and third parties performing services on behalf of WTW (unless the suppliers or third parties have comparable anti-bribery and anti-corruption policies of their own). The Anti-Bribery & Corruption Policy states that WTW is committed to conducting business with honesty, integrity and fairness and without the use of bribery and corrupt practices, and prohibits the offering, promising, giving, requesting, agreeing to receive or accepting of any bribe or other illegal or corrupt payment or inducement to or from any person at any time anywhere in the world.

Bribery and corruption risks include those through third parties and gifts, entertainment and hospitality. The Company mitigates these risks by global procedures which apply to all employees in entities owned and/or controlled by WTW. The Anti-Bribery & Corruption-Gifts, Entertainment & Hospitality Procedures require Compliance approval of gifts, entertainment and hospitality (whether given or received by WTW) that meet bribery risk criteria explained in the procedures. The Anti-Bribery & Corruption-Third Party Approval Procedures require due diligence be conducted on, and approval be obtained for, all third parties performing services on behalf of WTW. For all but the very lowest risk third parties, the approval procedures must be refreshed and repeated annually. Very low risk third parties require re-approval under the procedures every two years.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Anti-Bribery and Anti-Corruption (continued)**

The policies, procedures and supporting forms and information are available to colleagues on WTW's intranet site and are translated into 26 languages to support their global application and understanding. Online training is delivered annually in these languages on a risk-based approach to WTW employees regarding Anti-Bribery & Corruption; Gifts Entertainment & Hospitality; and Third Party Bribery Risk, including a comprehension test on the module content. All WTW employees are also required to comply with the Code of Conduct, which among other things sets out the Company's expectations regarding anti-bribery and anti-corruption matters. All employees are required annually to complete Code of Conduct training (provided in multiple languages) and to complete a comprehension test on the module content and certify their understanding and compliance with the Code of Conduct. The Global Code of Conduct was simplified in 2023 and relaunched with an updated training programme.

**Corporate and Social Responsibility**

We recognise that a part of being a good corporate citizen is caring about our communities and taking steps to help reinvest in and strengthen them now and for the future. Our philanthropy outlets include:

- **Business and office giving:** Our local business leaders are empowered to support charities.
- **Matching gifts:** We match the donations of individual colleagues up to \$2,500 cumulatively per year to charitable causes.
- **Volunteer day:** We support colleagues who donate their time and talent by offering one paid day per calendar year for volunteering with an organization that supports and enhances our communities.

**Whistleblowing**

Pursuant to the Code of Conduct, WTW conducts its business responsibly and in compliance with all applicable laws, regulations, internal accounting standards, accounting controls and audit findings. It is expected that colleagues will act with the highest possible standards of honesty, ethical conduct and integrity in all that they do. Should colleagues have a genuinely held concern that these high standards are not being maintained, they are invited to raise any concerns via several different confidential reporting routes. WTW takes all reports of misconduct seriously and investigates them thoroughly in line with the Global Whistleblowing Policy. Reprisal or retaliation against anyone who has in good faith reported potential breaches of our values, the Code of Conduct or the law is not tolerated.

In addition, the Whistleblowing Policy (Willis Limited) has been established which applies to all Willis Limited colleagues, consultants, contractors, volunteers, interns and workers. This also encourages all colleagues who suspect or are aware of any wrongdoing to access the organisation to speak up. This outlines additional reporting options available to Willis Limited colleagues including reporting to the Chief Compliance Officer, General Counsel, Human Resources and the Willis Limited Whistleblowing Champion (a Willis Limited Non-Executive Board Director). The Willis Limited Audit Committee receives a report at least annually in relation to the whistleblowing arrangements, including the results of annual testing.

**Section 172 ('S172') Companies Act 2006**

This report is a demonstration of the purpose, culture and values that the Board of Directors has established, and how these factors guide the Board's decision-making. It sets out the way in which proposals and activities that are presented to the Board impact the Company's stakeholders in the long term.

The Board of Directors considers its material stakeholders to be its employees, customers, suppliers, regulators and its shareholder, in addition to the environment and communities in which they work and live. This is encapsulated by the Company adopting the following core values, also being WTW's core values: client focus, teamwork, integrity, respect and excellence.

**Employees**

The Company is committed to providing a supportive and inclusive workplace for all, premised on decency, openness and good citizenship. Driven by its core values and strong culture of diversity, WTW aims to be a workplace where everyone can flourish and belong. In our continued efforts to ensure that our people are at the forefront of what we do we continually strive for excellence. Our Apprenticeship program goes from strength to strength having been recognised on numerous occasions this year:

- Winner of Apprenticeship Employer of the Year in the Multicultural Awards 2023 in the Management, Financial[RV1] and Professional Services category;
- Winner of BPP Large Employer of the Year 2023 for the second year;

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Section 172 ('S172') Companies Act 2006 (continued)*****Employees (continued)***

- Ranked 5th in Rate My Apprenticeship Top 100 employers 2023;
- Highly commended for Macro Employer of the Year in National Apprenticeship Awards 2023 Regional final;
- Accredited for a Princess Royal Training Award 2023; and
- At the 2023 Menopause Friendly Employer awards WTW was awarded for being the best Menopause Support Group.

All of these awards reinforce our continued focus on colleagues and providing a supportive work environment. WTW considers a diverse and inclusive work environment as central to its business. It allows the Company to leverage the best of its thinking and efforts as well as ensure that employees remain engaged and inspired. In line with this, several initiatives have been implemented and designed to monitor and enhance the colleague experience.

The Culture and Conduct Committee is an essential part of ensuring that the Company continues to maintain and enhance its culture and values by monitoring and addressing poor conduct and ensuring consistently high work standards across the Company.

In 2023, the Board regularly received people updates from the Human Resources Director which included updates in respect of inclusion and diversity and non-financial misconduct. The presence of the Human Resources Director, the Chief Compliance Officer and the Chief Risk Officer on the Board ensures that the interests of the employees, the Financial Conduct Authority (FCA) and the second line functions are actively considered during Board deliberations. The Company continues to actively engage with the Company's Pension Trustees to provide full transparently and support.

***Regulators***

The Board seeks to preserve a cooperative relationship with Regulators including the FCA. The appointment of the Chief Compliance Officer to the Board is key to ensuring that the FCA's perspective is actively considered during Board deliberations and to ensure that the Board is fully informed of regulatory developments and priorities.

Certain Directors attend proactive engagement meetings with the FCA and maintain an open and proactive relationship with the FCA by engaging in frequent, two-way dialogue with the supervisory team. The Board also engages with the FCA on an ad-hoc basis as issues arise. The Board of Directors considers the feedback from the FCA very carefully and has developed a culture of proactive compliance based on its ongoing channels of communication.

***Shareholder***

The ultimate parent of the Company is Willis Towers Watson plc. In the course of 2019, the Company entered into a Memorandum of Understanding with the ultimate parent company, which established the principle that while the parties each recognised that the Company was part of a global enterprise, the Company itself is a UK regulated entity and as such was sufficiently empowered and had the authority and mandate to undertake the activities necessary to ensure that its implementation of WTW's global aims and strategy and its business model, prudential arrangements and the conduct of its business were consistent with FCA regulation and applicable law. In addition, the Board fosters communication with the Board of Willis Towers Watson plc through different channels, such as, the chairs of each entity attending Board meetings of the other entity. In February 2022, the Memorandum of Understanding underwent a review in order to ensure it remained aligned with the WTW's structure and was approved by the Willis Limited Board.

***Customers***

The Company is driven to help its customers succeed, as our culture places clients at the heart of everything we do. In every interaction, and with every solution, employees are encouraged to act in the customers' best interests, striving to understand their needs, respecting their perspectives and exceeding their expectations. This is backed by our Client Excellence Model (CEM), and the expectations set out in Willis Limited's Business Conduct Risk policy.

The Board receives quarterly updates on customer interactions and feedback via different business reports presented at Board meetings. In 2023, the Company revised the existing New Products and Propositions Framework, providing a simpler, and agile process to provide innovative products and solutions for customers.

**WILLIS LIMITED****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Section 172 ('S172') Companies Act 2006 (continued)*****Third Party Suppliers***

The Company's culture of diversity also applies to its suppliers. The Board 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 the Company's supply-chain emphasises compliance with the core values and includes additional requirements relating to the risk of modern slavery. The Company continuously monitors its supply chain and ensures oversight over its key supplier arrangements. The Company has a Chief Financial Officer, who is also a member of the Board and whom is also the WTW Group's Chief Procurement Officer, who oversees the Company's key suppliers and maintains appropriate relationships. The Chief Financial Officer presents a report to every scheduled Board meeting and escalates all material items of feedback as necessary to the Board on a regular basis. For further details, see the Modern Slavery Statement for Willis Limited, available on the WTW website, [www.wtwco.com](http://www.wtwco.com).

***Environment and Community***

The Company 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.

**Environment**

The Company recognises the importance of its environmental responsibilities and uses internal and external methods to measure its environmental, social and 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 business and strategic priorities and comprises representatives from across the corporate functions. WTW monitors its environmental impacts and implements practices to reduce these. Some examples of how the Company is committed to reducing its environmental impact include:

- Improving energy efficiency throughout its operations and purchasing renewable electricity.
- Reducing the need for business travel by leveraging the use of technology.
- Promoting recycling and minimising waste sent to landfill.
- Using environmentally responsible supplies and engaging key suppliers on their environmental efforts.

Initiatives that WTW is involved in include being part of the 1-in-100 initiative, sponsoring the University of Cambridge's Centre for Risk Studies, being a member of the global ClimateWise network, participating in the Global Adaption and Resilience Investment Working Group, sponsoring the Global Assessment Report, being a member of the Insurance Development Forum, and the Global Innovation Lab for Climate Finance. WTW's Climate Practice provides risk analytics, advice and transactions which enable corporate, finance and public sector institutions to prepare for climate change; As sustainable investment and risk managers, we also help clients assess climate risk in their retirement and investment programs and/or achieve their sustainable investment goals; WTW's Climate Transition Pathways (an accreditation framework) provides companies with a consistent approach and identifies which organizations have robust transition plans aligned with the Paris Agreement.

For more information on WTW partnerships and thought leadership, see the ESG section of [wtwco.com](http://wtwco.com).

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Section 172 ('S172') Companies Act 2006 (continued)**

##### ***Environment and Community (continued)***

###### **Community**

Examples of programmes include:

- Partnering with customers and communities to help address environmental, social and economic challenges.
- Matching employees' charitable donations that support environment, climate or sustainability.
- Volunteer day programmes which provide employees with paid opportunities to volunteer.

##### ***Governance of Section 172 of the Companies Act***

During the year, the Board complied with Section 172 (a to e) 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 above);
- (c) the Company's business relationships with its suppliers, customers and others;
- (d) community and environment; and
- (e) reputation and business conduct.

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

The Board made a number of decisions in the course of the year including, approving the 2022 Annual Report and Accounts of the Company and the payment of an interim dividend to its shareholder.

In each case, the Board carefully considered the long-term consequences of each decision by discussing with, and challenging management, on the consequences of any decisions on its key stakeholders, discussed below and in the Director's Report, the Company's reputation, and the impact on its culture and conduct.

The Board has a well-established Audit Committee and an Enterprise Risk Management Committee, both of which review all the Board's principal decisions based on their internal control assessments and risk assessments.

The key responsibility of the Enterprise Risk Management Committee is to satisfy itself and report its conclusions to the Board on the regulatory capital and solvency of the Company and its subsidiaries on a realistic stressed basis for the foreseeable future. The Enterprise Risk Management Committee reviews, and reports to the Board, whether:

- there is effective leadership on risks and issues impacting the Company;
- the risk culture across the organisation is appropriate;
- the remuneration strategy disincentivises excessive risk taking;
- all material risks have been identified, assessed and appropriately managed within the Company risk appetite;
- any risks that are outside the Company's risk appetite are identified and escalated and are being actively managed to bring the risk back within appetite;
- mitigation action is timely and appropriate;
- material risks are being controlled through an effective, efficient and comprehensive control environment;
- WTW policies and initiatives are appropriate and adhered to; and
- the businesses are meeting their regulatory responsibilities.

## **WILLIS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

#### **Section 172 ('S172') Companies Act 2006 (continued)**

##### *Governance of Section 172 of the Companies Act (continued)*

The purpose of the Audit Committee is to provide assurance to the Board that, based on available evidence, the system of internal control established by management is:

- appropriately designed for a business of the size and nature of the Company;
- operating effectively;
- likely to continue to operate for the foreseeable future; and
- the Internal Audit function has appropriate resources to fulfil its function effectively.

This is conducted through review and challenge of Internal Audit Reports by the Audit Committee and receipt of reports from control functions.

The Audit Committee ensures all reporting disclosures on the system of internal control are appropriate, and satisfies itself that:

- the financial statements of the Company present a true and fair view and are in accordance with the agreed accounting policies;
- key judgements and disclosures are appropriate;
- it continues to be appropriate to prepare the financial statements on a going concern basis;
- risk and control issues are adequately reflected in the financial statements; and
- appropriate Client Money Controls are in place.

The Audit Committee has representation from the Independent External Auditors and receives regular reporting on external reporting matters including key risk areas, audit and control observations, emerging accounting issues and any unadjusted misstatements. The Audit Committee will make recommendations to the Board in respect of the appointment of external auditors.

During the year the Audit Committee requested, and received, confirmation that the Internal Audit resources were adequate to fulfil the Internal Audit Plan.

All management's key recommendations to the Board were, in the course of the year, put through a rigorous review and challenge process through the Controls Committee, whose prime responsibility is to ensure the effective design and operation of controls within the Company, including monitoring key controls and overseeing improvements to key controls. The Committee facilitates dialogue and co-operation between the Risk, Compliance, Internal Audit, IT, Information Security, Legal and Finance functions and the business operations of the Company to ensure an appropriate control environment exists across the Company.

In the course of the year, the Board of Directors regularly reviewed and monitored management information in respect of the Company's day-to-day activities by way of reports from the Chief Executive Officer, Chief Finance Officer, Chief Operating Officer and the Human Resources, Legal, Risk, Finance, Compliance and Audit functions. The Board also enhanced its engagement with employees and other stakeholders in various ways, details of which are included above.

During the course of the year, the Directors received training on a variety of subjects including: Update on Corporate Governance Requirements and Directors' Duties; Climate Change Reporting and Transition Planning; Threshold Condition 2.4 Update; and Consumer Duty Regulation update. The trainings were provided by different business areas within the Company or external providers.

Board packs for the Company were issued to the Directors a week in advance of the Board meetings in order to provide adequate time for review. While Board papers have in practice covered various Section 172 factors in their content, in practice, presenters actively highlight any Section 172 factors for consideration if the Board is requested to make any decisions.



**WILLIS LIMITED**

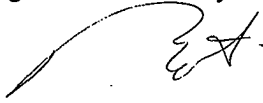
**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)Section**

**172 ('S172') Companies Act 2006 (continued)**

***Governance of Section 172 of the Companies Act (continued)***

This strategic report was approved by the Board of Directors and authorised for issue on 6 June 2024 and

signed on its behalf by:



Alastair J P Swift

Director

51 Lime Street

London

EC3M 7DQ

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

#### **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.

As a consequence of the COVID-19 pandemic and other world events such as the ongoing Russia-Ukraine and Israel-Hamas wars, there have been adverse changes in global commercial activity, particularly in the global supply chain and workforce availability, and significant volatility in the global financial markets including, among other effects, occasional declines in the equity markets, changes in interest rates and reduced liquidity on a global basis. Whilst inflationary cost pressures and a challenging labour market do present a challenge to the Company, the Directors do not consider that this will have an impact on the Company's ability to continue to operate as a going concern. In addition WTW's established business recovery plans, including the ability for colleagues to work remotely, have enabled us to continue to service and support clients both during, and in the aftermath of, the pandemic and minimise the risks to business interruption from these types of event.

In regards to the conflict in Ukraine specifically, the Company ceased operations in Russia in the first quarter of 2022, recording an impairment charge against related receivable positions at that time. The Directors have considered the financial impact of this business withdrawal within their assessment of the Company's going concern. The Company also has assessed that there is no material exposure in relation to the Israel-Hamas conflict.

As noted in the Capital Management Policy note within the Strategic Review, the Company is required to maintain capital and cash balances in accordance with the FCA's Threshold Conditions and MIPRU requirements. The Directors have considered stress testing against these capital requirements to ensure the Company would continue to maintain capital resources of at least twice that requirement for the foreseeable future.

Having assessed the responses to their enquiries, including those related to COVID-19 and the emerging events in relation to the Russia-Ukraine and Israel-Hamas wars, 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. This ascertain is reinforced by the Company's strong financial position at the reporting date and financial performance throughout 2023, as summarised by the key performance indicators presented in the Strategic Review. After considering responses to enquiries and quantitative factors, 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. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements on page 44.

#### **Branches**

As at 31 December 2023, the Company has a branch in the Dubai International Financial Centre located in the United Arab Emirates.

#### **Dividends**

An interim dividend of \$273 million was paid on 26 October 2023 (2022: \$279 million paid on 15 October 2022) and a further distribution of \$4 million was paid in November 2023 in respect of share based compensation (2022: \$1 million in November 2022). The Directors do not recommend the payment of a final dividend (2022: \$nil).

**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Employees**

It is the Company's and 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 colleagues, with respect to employment continuity, training, career development and other employment practices. This policy is implemented in a number of different ways, for example:

- Our Inclusion and Diversity section on the careers section of the WTW website explicitly states how open the Company is to hiring people from different backgrounds and with disabilities,
- We operate a number of inclusion networks, including workability network, which aim to encourage, support and promote our talent and create better connections across the Company and with clients and the wider community; and
- WTW is a member of the UK government Disability Confident scheme, designed to help employers recruit and retain disabled employees.

**Events After the Balance Sheet Date**

There are no significant post balance sheet events as at the date of these financial statements.

**Directors**

The directors who served throughout the year and up to the date of this report (except where otherwise stated) were as follows:

***Executive Directors***

Edward A Castles  
 Richard R Goff  
 Neil G Kerr  
 Dipesh M P R Shah  
 Alastair J P Swift  
 Richard J Vanner  
 Thomas F Webb

***Non-executive Directors***

Alla Bashenko (Independent)	(Appointed 6 January 2023)
Marcia D Campbell (Independent)	(Appointed 29 August 2023)
Rosemary Hilary (Independent)	
Dr Brendan R O'Neill	(Resigned 6 June 2023)
Stuart W Sinclair (Chairman)	
Sarah J Turvill (Independent)	(Resigned 14 April 2023)

The activities of the Directors are covered by a WTW-wide Directors and Officers Insurance policy.

**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.

**Statement of Corporate Governance Arrangements**

The Board of Directors adopted the Wates Principles of Corporate Governance for Large Private Companies as the Company's primary corporate governance code. The Board also operates within a wider corporate governance framework (the Subsidiary Governance Guidelines) for the subsidiaries of its ultimate parent company, Willis Towers Watson plc.

## **WILLIS LIMITED**

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

#### **Statement of Corporate Governance Arrangements (continued)**

The Company applied the six Wates Principles in the following ways:

##### ***Principle 1: Purpose and Leadership***

WTW's purpose is the reason that the Company exists. At WTW, we transform tomorrows. The Company is a leading global advisory, broking and solutions company that helps its customers around the world turn risk into a path for growth. The Company's values, outlined above, are more than words. The Company believes that living its values every day drives its success. The values frame the Company's approaches and ways of working and embed the behaviours that drive its performance, as demonstrated throughout the Strategic Report. The Company's values are communicated consistently across all employee and customer messaging, on the Company's website, and are embedded in all employee engagement, including performance management tools.

The Company has a strong culture aligned to its values. The Company's culture is constantly monitored through company-wide staff engagement surveys carried out every two years, exit interviews, one to one engagement, Board site visits, town hall events carried out by senior management and regular reports to the Board.

For further details on the Company's strategy, see the Strategic Report above.

##### ***Principle 2: Board Composition***

On 31 December 2023, the Board comprised eleven Directors. Using the definition contained in the UK Corporate Governance Code, the Chair was independent upon appointment. In addition to the Chair, the Board has three Non-Executive Directors, all three are independent. One chairs the Enterprise Risk Management Committee and one chairs the Audit Committee. The Board has seven Executive Directors who include the Chief Executive Officer, the Chief Finance Officer, the Chief Operating Officer, Chief Compliance Officer, Head of GB Retail business, HR Director and Chief Risk Officer.

The Board members are shown on page 27.

The Board considers its size and the diversity of its composition in respect of gender, experience and ethnicity to be appropriate for the size of the Company. The Company has a strong culture of inclusion and diversity and considers it to be critical to its business. It is how the Company hires and promotes, how it works with customers and how its teams function. The Board is committed to creating an inclusive work environment where everyone is heard, respected and valued for who they are. The Board has a good balance of knowledge and experience across all its Executive and Non-Executive Directors, whose details are shown on page 27.

The Board periodically carries out external Board effectiveness reviews. The Board considers the output and ensures that the recommendations are implemented.

##### ***Principle 3: Director Responsibilities***

At WTW, corporate governance is defined by the system of rules, practices and processes by which companies are directed and controlled and the aim of which is to enable the best decisions to be made by those companies.

The Company ensures adherence to a set of WTW-wide internal subsidiary governance guidance that applies across the segments, geographies and legal entities at WTW. These set out minimum standards for areas such as Board composition, changes to Boards, director training, database guidelines and document retention. In addition, the Board has also adopted the Wates Principles of Corporate Governance for Large Private Companies. Also, the Company has reviewed and adopted the appropriate governance standards in order to comply with the FCA's SMCR.

The Board organises its work by delegating specific matters to the following Board Committees:

- the Enterprise Risk Management Committee;
- the Audit Committee;
- the Nominations Committee; and
- the Culture and Conduct Committee.

The Board and its Committees receive regular reports and management information from the businesses in order to assist them to discharge their responsibilities under the individual constitutional documents and terms of reference, as well as their individual responsibilities under the FCA's SMCR.

**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Statement of Corporate Governance Arrangements (continued)*****Principle 4: Opportunity and Risk***

The WTW Enterprise Risk Management team is a global team which works with businesses and corporate functions to ensure a proactive and integrated approach to risk management, and with employees to help them effectively and efficiently deliver quality and manage risk. The Board's Enterprise Risk Management Committee meets at least quarterly. This Committee advises the Board on risk matters, and where applicable, includes an assessment of risk appetite and monitoring of risk against that appetite.

The Board reviews its risk appetite and internal control framework regularly and uses Board meetings and other arrangements to ensure that it has continuous market insights in the context of the Company's businesses.

The Company's strategy is aligned to the WTW strategy, which is based on the belief that a unified approach to people and risk yields growth for our customers. The Company's integrated teams bring together the Company's understanding of risk strategies and market analytics. This helps customers around the world to achieve their objectives.

The Chief Executive regularly provides the Board with a market overview which includes opportunities for tangible and intangible value creation. The Board also regularly reviews strategy execution by management.

***Principle 5: Remuneration***

At WTW, employees are paid for performance, so compensation programmes are designed to support both short- and long-term goals, as well as both individual and team successes. Base salary is determined by an employee's role, proficiency in the role and location. As a leader in compensation surveys, WTW uses market data to ensure its offerings are competitive.

Salary increases are generally made through the annual year-end review process. Increases are based on employee performance and competency development during the prior year, and may be made in conjunction with a role change or level change, or, in some cases, to ensure external competitiveness.

Short term incentives are discretionary awards paid annually that reflect the performance of the business and enable the company to recognize employee contributions to its success for that given year. There is a robust governance framework in place to monitor these awards.

Senior management remuneration is also based on performance over the course of the year and demonstration of the WTW values in a similar way to that of all other employees. WTW has a long-term incentive programme which is an annual discretionary programme designed for the most senior employees who make strategic contributions to the success of the business over time.

Discretionary awards for all employees including senior managers align with performance, behaviours, and achievement of the Company's purpose, values, and strategy.

For further details on compensation, see note 6 to the Financial Statements below.

***Principle 6: Stakeholder Relationships and Engagement***

The Company's material stakeholders are its customers, employees, Regulators, its parent company, its environment and its third-party suppliers. The Board of Directors is committed to engaging appropriately with its material stakeholders and to consider any feedback received in making any principal decisions. The Board of Directors has adopted a stakeholder dashboard which identifies its material stakeholders as:

- Employees
- Regulators
- Shareholder
- Customers
- Third Party Suppliers
- Environment and Community

For more information on steps taken to address these stakeholders, see 'Section 172' in the Strategic Report.

**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)*****Scope of this Report***

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 2022, WTW completed additional planning helping to lay the foundation for a comprehensive action plan supporting its climate commitments and in 2023, we began implementing this plan.

WTW helps reduce its environmental impact and carbon emissions through improvements to energy efficiency in its operations and purchasing renewable energy, 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 to 2021 when office occupancy was still significantly impacted by the COVID pandemic. In addition WTW is actively engaged in a right-sizing exercise. 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 prioritized for certain offices in which WTW has the ability to influence energy procurement. This has been included in the 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 compared to 2022.

***Colleagues***

WTW engages its 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 and through WTW's Heroes for Zero pilot network with the objective of raising awareness for the environment and provide information on sustainability to our colleagues through internal communication and campaigns.

***Customers***

Our Environmental, Social and Governance (ESG) services and solutions empower our clients to sharpen their focus, become more resilient, maximize performance, foster operational excellence and drive long-term sustainable value. We partner with clients worldwide in the following areas to address ESG — whether developing an enterprise-wide strategy, executing ESG-related programs or helping to connect sustainability goals with daily efforts:

- **People:** We understand that people are essential to helping our clients achieve their goals. We help our clients to meet their employees' needs and build sustainable organizations for the long term. Our solutions — including diversity, equity and inclusion (DEI), total rewards, employee wellbeing and employee engagement — are core to our clients' ability to attract and retain top talent.
- **Risk:** Risk management is imperative to effective governance. Understanding risk, assessing its impacts and finding ways to effectively mitigate it is a core part of WTW's business. We help organizations to identify, quantify, prioritize and manage risks through solutions such as insurance broking, innovative alternatives to risk transfer and financing, and pre-loss risk consulting services that protect people and safeguard assets. We also advise on and develop strategies that protect our clients against the risks of changing climate, implement net zero plans, and build more sustainable and resilient supply chains.
- **Capital:** Making the most of capital means solving a complex risk-and-return equation. We help clients implement and deploy capital strategically to support their sustainability goals, which may include optimization of capital expenditures and asset management to enable climate risk management, sustainable investment practices, fair pay and equity. We also engage in sustainable investment practices on their behalf, enabling clients to invest consistent with their objectives.

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 Principle 6 of the Wates Principles included within the Directors' Report.

## **WILLIS LIMITED**

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

#### ***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 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 on their emissions reduction plans.

For further information, see Principle 6 of the Wates Principles included within the Directors' Report.

#### ***Compliance***

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

#### ***Corporate/Business Oversight***

Internally, WTW has a Sustainability Taskforce that provides central governance on our environmental strategy and focuses on aligning its ESG commitments with its business and strategic priorities.

For more information, see the ESG section of [wtwco.com](http://wtwco.com)

**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Streamlined Energy and Carbon Report***Total Emission Scope Summary*

Emission Type	2023		2022	
	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Scope 1 (direct)	3,277,875	612	3,539,009	651
Scope 2 (indirect)	7,311,026	110	7,381,113	145
Scope 3 (only purchased fuel for employee travel)	1,805,851	400	783,937	178
<b>Total</b>	<b>12,394,752</b>	<b>1,122</b>	<b>11,704,059</b>	<b>974</b>

*Scope 1 Emissions (Direct)*

Emissions from activities owned or controlled by the Company that directly 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	2023		2022	
		Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Stationary combustion	Emissions from combustion of gas	3,277,875	612	3,539,009	651
Mobile combustion	Emissions from combustion of fuel for transport purposes	—	—	—	—
<b>Total</b>		<b>3,277,875</b>	<b>612</b>	<b>3,539,009</b>	<b>651</b>

*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 the Company 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 sources electricity from renewable sources (e.g. REC or PPA) in 2022 and 2023, hence their zero emissions under "Renewable" below.

Energy Type	Definition	2023		2022	
		Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Renewable	Emissions from purchased renewable electricity	7,011,954	—	6,971,097	—
Grid	Emissions from purchased electricity from the grid	299,072	110	410,016	145
<b>Total</b>		<b>7,311,026</b>	<b>110</b>	<b>7,381,113</b>	<b>145</b>



**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Streamlined Energy and Carbon Report (continued)****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	2023		2022	
		Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
<b>Employee Owned Cars</b>	Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory)	1,805,851	400	783,937	178
<b>Total</b>		<b>1,805,851</b>	<b>400</b>	<b>783,937</b>	<b>178</b>

**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 ratios**

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

Intensity Measurement	2023		2022	
	Turnover (\$m)	Intensity Ratio (tCO <sub>2</sub> e / Turnover \$m)	Turnover (\$m)	Intensity Ratio (tCO <sub>2</sub> e / Turnover \$m)
<b>Tonnes of CO<sub>2</sub>e per total \$m Turnover</b>	<b>644</b>	<b>1.74</b>	<b>607</b>	<b>1.60</b>

The Company has chosen to use tonnes of CO<sub>2</sub>e per \$m turnover (including revenue from discontinuing operations) for its Intensity Ratio. Turnover represents income from continuing and discontinued operations.

**Total Emissions - History**

As this is the fourth year of the reporting requirement, the four-year history is detailed below:

Emission	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023
<b>Tonnes of CO<sub>2</sub>e</b>	<b>2,282</b>	<b>1,958</b>	<b>974</b>	<b>1,122</b>
<b>Total Energy (kWhs)</b>	<b>10,359,138</b>	<b>9,524,901</b>	<b>11,704,059</b>	<b>12,394,751</b>
<b>Intensity Ratio</b>	<b>2.46</b>	<b>1.98</b>	<b>1.60</b>	<b>1.74</b>

**WILLIS LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Streamlined Energy and Carbon Report (continued)*****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' 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, 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.

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 he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

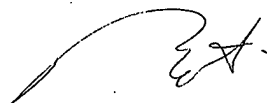
**WILLIS LIMITED**

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

**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 6 June 2024 and signed on its behalf by:



Alastair J P Swift  
Director  
51 Lime Street  
London  
EC3M 7DQ

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Willis 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 26.

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 Generally Accepted Accounting Practice).

#### **Basis for opinion**

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included current year results and financial position along with with principal risks and uncertainties and how these have been mitigated.

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.

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

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS LIMITED (continued)****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, tax legislation and the regulations of the Financial Conduct Authority ('FCA'); 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. This included the Company's operating licence, FCA client money rules, regulatory permissions and environmental regulations.

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

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- The significant risk of fraud in revenue recognition relating to accruals at the balance sheet date. Accrued revenue covers both multi annual and non-multi annual transactions, and as a result there is a higher level of complexity around the calculation of the amount of revenue to be accrued and around the cut-off period. In response to this risk, we performed the following:
  - Evaluated the design and implementation and the operating effectiveness of the company's internal controls around revenue recognition, with focus on revenue cut-off risk;
  - Selected a sample of revenue transactions that were accrued as at 31 December 2023. For each selection we inspected the policy documentation/client agreement, the date on which the services were completed and the date the client agreed the fees.
  - Challenged management's conclusion on the appropriateness of recognising revenue and the amount recognised by independently drawing our own conclusions from third party documentation.
  - Selected a sample of revenue transactions closer to the year-end (in December 2023 and January 2024) to ascertain the recognition in the correct accounting period.
  - We analysed internal and external factors which could increase the fraud risk in certain divisions;
  - We analysed accrued revenue and reversal patterns in 2022 and 2023 by division compared to revenue booked in eclipse to ensure reversed accruals are being invoiced in eclipse;
  - We tested accruals aged over 30 days as at year end which were not yet invoiced to ensure that they meet the revenue recognition criteria;
  - We tested revenue transactions that are reversed out in January 2024 with effective/inception dates in 2023 and validated the reason for the reversals.

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.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

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, reviewing internal audit reports and reviewing correspondence with HMRC.

**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.



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

06 June 2024

**WILLIS LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 \$m	2022 \$m
Brokerage and fees	3	591	571
Interest and investment income		46	19
<b>Turnover</b>		<b>637</b>	<b>590</b>
Operating expenses		(487)	(432)
Operating income/(expense) – foreign exchange gain/(loss)		29	(93)
Transaction and transformation costs	4	(31)	(17)
Profit on disposal of operations		2	1
Impairment charge	7	—	(70)
<b>Operating profit / (loss)</b>	4	<b>150</b>	<b>(21)</b>
Interest receivable and similar income	8	48	22
Interest payable and similar costs	9	(1)	(1)
<b>Profit / (loss) before taxation</b>		<b>197</b>	<b>—</b>
Tax (charge) / credit on profit	10	(48)	10
<b>Profit for the year from continuing operations</b>		<b>149</b>	<b>10</b>
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	11	12	39
<b>Profit for the year</b>		<b>161</b>	<b>49</b>



**WILLIS LIMITED****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 \$m	2022 \$m
<b>Profit for the year</b>		<b>161</b>	<b>49</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss relating to the defined benefit pension scheme	22	(83)	(254)
UK deferred tax attributable to actuarial loss	10	21	64
		<u>(62)</u>	<u>(190)</u>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Derivative instruments:			
- Gains / (losses) on forward contracts (effective element)		5	(7)
- Reclassification adjustments for forward exchange contracts included in income statement		—	2
Tax on items relating to components of comprehensive income	10	(1)	1
<b>Other comprehensive loss for the year, net of income tax</b>		<b>(58)</b>	<b>(194)</b>
<b>Total comprehensive income / (expense) for the year</b>		<b>103</b>	<b>(145)</b>

**WILLIS LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2023**

	Notes	2023 \$m	2022 \$m
<b>Fixed assets</b>			
Intangible assets	13	156	156
Tangible fixed assets	14	20	23
Investments	15	5	5
		<u>181</u>	<u>184</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	16	547	664
Amounts falling due after more than one year	16	5	6
		<u>552</u>	<u>670</u>
Deposits and cash: held in fiduciary capacity		783	1,653
Deposits and cash		100	115
		<u>1,435</u>	<u>2,438</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(225)	(232)
Fiduciary liabilities: amounts falling due within one year	18	(783)	(1,653)
		<u>(1,008)</u>	<u>(1,885)</u>
<b>Net current assets</b>		427	553
<b>Total assets less current liabilities</b>		608	737
Creditors: amounts falling due after more than one year	19	(110)	(111)
Provisions for liabilities	20	(26)	(26)
<b>Net assets excluding pension plan surplus</b>		472	600
Defined pension plan surplus	22	384	420
<b>Net assets including pension plan surplus</b>		<u>856</u>	<u>1,020</u>
<b>Equity</b>			
Called up share capital	21	153	153
Cash flow hedging reserve		2	(2)
Retained earnings		701	869
<b>Shareholder's equity</b>		<u>856</u>	<u>1,020</u>

The financial statements of Willis Limited, registered company number 00181116, were approved by the Board of Directors and authorised for issue on 6 June 2024 and signed on its behalf by:



Richard R Goff  
Director

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

	Notes	Called up share capital \$m	Cash flow hedging reserve \$m	Retained earnings \$m	Total equity \$m
Balance at 1 January 2022		153	2	1,281	1,436
Profit for the year		—	—	49	49
Other comprehensive income:					
Actuarial losses on pension scheme	22	—	—	(254)	(254)
Reclassification adjustments for forward exchange contracts included in income statement		—	2	—	2
Gains on forward contracts (effective element)		—	(7)	—	(7)
Tax on items relating to components of other comprehensive income		—	1	64	65
Total comprehensive expense for the year		—	(4)	(141)	(145)
Equity-settled share based payment transactions (net of tax)	26	—	—	9	9
Dividends to shareholders	12	—	—	(280)	(280)
<b>Balance at 31 December 2022</b>		<b>153</b>	<b>(2)</b>	<b>869</b>	<b>1,020</b>
Profit for the year		—	—	161	161
Other comprehensive income:					
Actuarial loss on pension scheme	22	—	—	(83)	(83)
Gains on forward contracts (effective element)		—	5	—	5
Tax on items relating to components of other comprehensive income		—	(1)	21	20
Total comprehensive income for the year		—	4	99	103
Equity-settled share based payment transactions (net of tax)	26	—	—	10	10
Dividends to shareholders	12	—	—	(277)	(277)
<b>Balance at 31 December 2023</b>		<b>153</b>	<b>2</b>	<b>701</b>	<b>856</b>

**WILLIS 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 address of the Company's registered office is 51 Lime Street, London, EC3M 7DQ. The Company's principal place of business is 51 Lime Street, London, EC3M 7DQ. The principal activities of the Company are set out in the Directors' 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 except for certain financial instruments that are measured at fair value at the end of each reporting period.

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) business combinations; (ii) share-based payments; (iii) financial instruments; (iv) presentation of a cash flow statement; (v) key management personnel, (vi) new International Financial Reporting Standards ('IFRSs') and (vii) revenue from contracts with customers, 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 Company's business activities and the factors likely to affect its future development and position are set out in the Strategic Report. The Company's financial projections indicate that it will generate positive cash flows on its own account for a period of at least twelve months from the date of approval of the financial statements. The Company deposits its excess own cash funds with WTW's centralised treasury function and so shares banking arrangements with its parent and fellow subsidiaries.

In accordance with their duties set out in the Financial Services and Markets Act and the FCA's 'Threshold Condition 2.4 - Appropriate Resources' the Directors have conducted enquiries into the nature and quality of the assets, liabilities and cash that make up the Company's capital. Furthermore, the Directors' enquiries extend to the Company's relationship with WTW and external parties on a financial and non-financial level. Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of WTW to continue as a going concern or its ability to repay loans due to the Company from time to time.

As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for 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.

**Parent Undertaking and Controlling Party**

The Company's:

- immediate parent company and controlling undertaking is Willis Faber Limited; and
- ultimate parent company is Willis Towers Watson plc, a company incorporated in Ireland, whose registered office is Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, Ireland.

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from the requirement to produce group financial statements.

The largest and smallest group in which the results of the Company are consolidated is Willis Towers Watson plc, whose financial statements are available to members of the public on WTW's website [www.wtwco.com](http://www.wtwco.com), in the Investor Relations section.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Revenue Recognition**

Revenue includes insurance commissions, fees for services rendered, certain commissions receivable from insurance carriers and investment income earned on fiduciary balances.

In our broking arrangements, we earn revenue by acting as an intermediary in the placement of effective insurance policies. Generally, we act as an agent and view our client to be the party looking to obtain insurance coverage for various risks, or an employer or sponsoring organisation looking to obtain insurance coverage for its employees or members. Also, we act as an agent in reinsurance broking arrangements where our client is the party looking to cede risks to the reinsurance markets. Our primary performance obligation under the majority of these arrangements is to place an effective insurance or reinsurance policy, but there can also be post-placement obligations in certain contracts. The most common of these is for claims handling, although this is typically considered to be an immaterial performance obligation.

Due to the nature of the majority of our broking arrangements, no single document constitutes the contract for IFRS 15 purposes. Our services may be governed by a mixture of different types of contractual arrangements depending on the jurisdiction or type of coverage, including terms of business agreements, broker-of-record letters, statements of work or local custom and practice. This is then confirmed by the client's acceptance of the underlying insurance contract. Prior to the policy inception date, the client has not accepted nor formally committed to perform under the arrangement (i.e. pay for the insurance coverage in place). Therefore, in the majority of broking arrangements, the contract date is the date the insurance policy incepts.

As noted, our primary performance obligations typically consist of only the placement of an effective insurance policy which precedes the inception date of the policy. Therefore, most of our fulfilment costs are incurred before we can recognise revenue, and are thus deferred during the pre-placement process. Where we have material post-placement services obligations, we estimate the relative fair value of the post-placement services using either the expected cost-plus-margin or the market assessment approach.

Fees for our broking services consist of commissions or fees negotiated in lieu of commissions. At times, we may receive additional income for performing these services from the insurance and reinsurance carriers' markets, which is collectively referred to as 'market derived income'. In situations in which our fees are not fixed but are variable, we must estimate the likely commission per policy, taking into account the likelihood of cancellation before the end of the policy. For proportional treaty reinsurance broking, the commissions to which we will be entitled can vary based on the underlying individual insurance policies that are placed, we base the estimates of transaction prices on supportable evidence from an analysis of past transactions, and only include amounts that are probable of being received or not refunded (referred to as applying 'constraint' under IFRS 15). This is an area requiring significant judgement and results in us estimating a transaction price that may be significantly lower than the ultimate amount of commissions we may collect. The transaction price is then adjusted over time as we receive confirmation of our remuneration through receipt of treaty statements, or as other information becomes available. This income stream is now in run-off due to the sale of the Reinsurance business to AJ Gallagher in 2021. For more information, see the discontinued operations note (note 11).

We recognise revenue for most broking arrangements as of a point in time at the later of the policy inception date or when the policy placement is complete, because this is viewed as the date when control is transferred to the client.

Revenue is stated net of VAT and other sales-related taxes, where applicable.

Investment income earned on fiduciary balances is recognised on an accruals basis.

**Cost to Obtain or Fulfil contracts**

Costs to obtain customers include commissions for brokers under specific agreements that would not be incurred without a contract being signed and executed. The Company has elected to apply the IFRS 15 'practical expedient' which allows it to expense these costs as incurred if the amortization period related to the resulting asset would be one year or less. The Company has no significant instances of contracts that would be amortised for a period greater than a year, and therefore has no contract costs capitalised for these arrangements.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Cost to Obtain or Fulfil Contracts (continued)**

Costs to fulfil include costs incurred by the Company that are expected to be recovered within the expected contract period. The Company must estimate the fulfilment costs incurred during the pre-placement of the broking contracts. These judgements include:

- which activities in the pre-placement process should be eligible for capitalisation;
- the amount of time and effort expended on those pre-placement activities;
- the amount of payroll and related costs eligible for capitalisation; and,
- the monthly timing of underlying insurance and reinsurance policy inception dates.

The Company amortises costs to fulfil over the period it receives the related benefits. For broking pre-placement costs, this is typically less than a year.

**Interest Receivable**

Interest receivable is recognised as interest accrues using the effective interest method.

**Dividend income**

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

**Foreign Currency Translation**

These financial statements are presented in US dollars 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 transactions entered into to hedge certain foreign currency risks (see Financial assets and financial liabilities, below).

**Intangible Assets - Goodwill**

Goodwill represents the excess of the cost of businesses acquired over the fair market value of identifiable net assets at the dates of acquisition. The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 require the amortisation of goodwill. However, the Company believes the amortisation of goodwill would not give a true and fair view because:

- not all goodwill declines in value; and
- goodwill that does decline in value rarely does so on a straight-line basis.

Consequently, straight-line amortisation of goodwill over an arbitrary period does not reflect economic reality and thus does not provide useful information to financial statement users. The Company is therefore invoking the 'true and fair view override' described above.

The Company does not amortise goodwill but reviews it for impairment annually and whenever facts or circumstances indicate that the carrying amounts may not be recoverable.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Intangible Assets - Other**

Both acquired and other intangible 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 as follows:

- Acquired customer relationships and introduction arrangements in line with underlying cash flows over 3 to 20 years; and
- Software development costs on a straight line basis over 4 to 7 years.

Development costs have been capitalised in accordance with IAS 38 Intangible Assets and are therefore not treated, for dividend purposes, as a realised loss.

**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:

- Freehold buildings at 2 per cent per annum;
- Freehold land is not depreciated; and
- Equipment on a straight line basis over 7 years.

Expenditure for improvements is capitalised; repairs and maintenance are charged to the income statement 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.

**Insurance Broking Assets and Liabilities**

The Company acts as agent in placing the insurable risks of its clients with insurers and, as such, generally is not principal to the contracts under which the right to receive premiums from clients, or reimbursement of insured losses from insurers, arises. Consequently, the Company is generally neither contractually entitled to demand premiums from clients nor liable to insurers for any uncollected amounts arising from such transactions

In recognition of this relationship, uncollected premiums and claims from insurance broking transactions are not included as assets or liabilities of the Company. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction, no recognition of the insurance transactions occurs.

In certain exceptional circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection from fiduciary funds. To the extent that these advances result in increased credit risk this is reflected in the recognition of an expense for bad and doubtful debts and an equal and opposite provision.

***Deposits and Cash: held in fiduciary capacity ('fiduciary funds')***

Unremitted insurance premiums and claims are recorded within fiduciary funds. Fiduciary funds are required to be kept in certain regulated bank accounts subject to guidelines which emphasise capital preservation and liquidity. Such funds are not available to service the Company's debt or for other corporate purposes. Notwithstanding the legal relationships with clients and insurers, the Company is generally entitled to retain interest and investment income earned on fiduciary funds in accordance with agreements with insureds and insurers and in accordance with industry custom and practice where these agreements are not in place.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Pension Costs**

The Company has a defined benefit pension scheme and a defined contribution pension scheme. 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.

Past service costs are recognised in profit and loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance income or cost.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the present value of any amount the Company expects to recover by way of refunds from the plan or reductions in the future contributions.

***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.

**Share-based Payments**

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

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.



**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Share-based Payments (continued)**

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.

For the cash-settled share-based compensation, the Company recognises a liability for the fair-value of the awards as of each reporting date. Expense is recognised over the service period, and as the liability is remeasured at the end of each reporting period, changes in fair value are recognised within Operating Expenses in the Income statement. The significant assumptions underlying our expense calculations include the estimated achievement of any performance targets and estimated forfeiture rates.

For equity-settled awards issued from 1 April 2022, the Company is obliged to reimburse Willis Towers Watson plc for the fair market value of the net shares issued at the date of issuance. No such obligation existed in respect to equity-settled awards issued prior to this date.

**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.

**Financial Assets and Financial Liabilities**

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

The Company classifies its financial assets as at amortised cost, at fair value through other comprehensive income 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. The Company generally classifies its financial liabilities as at amortised cost or at fair value through profit or loss.

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.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****1. General Information and Accounting Policies (continued)****Financial Assets and Financial Liabilities (continued)**

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, except that trade receivables are initially recognised at their transaction price, and are 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. For trade receivables, lifetime expected losses are recognised, under the simplified approach. 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 to be 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 and option 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.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is formally designated and documented at its inception.

The effective portions of changes in the fair value of derivatives that qualify for hedge accounting as cash flow hedges are recorded in other comprehensive income. Amounts are reclassified from other comprehensive income to earnings when the hedged exposure affects earnings. Changes in fair value of derivatives that do not qualify for hedge accounting, together with any hedge ineffectiveness on those that do qualify, are recorded in operating expenses or interest expense as appropriate.

**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.

---

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****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, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the dates of the financial statements and the reported amounts of revenues and expenses during the year. Judgements, estimates and assumptions are made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgements in Applying the Company's Accounting Policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

***Revenue Recognition***

Management judgement has been applied in the assessment of the significance of brokerage post placement obligations and hence the amount of revenue deferred and, also, for negotiated fee arrangements covering multiple insurance placements, in the determination of the relative fair value of the services completed and the services yet to be rendered.

Management must also estimate the fulfilment costs incurred during the pre-placement of the broking contracts. These judgments include the following:

- which activities in the pre-placement process should be eligible for capitalization;
- the amount of time and effort expended on those pre-placement activities;
- the amount of payroll and related costs eligible for capitalization; and,
- the monthly or quarterly timing of underlying insurance and reinsurance policy inception dates.

**Key Sources of Estimation Uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

***Valuation of Goodwill***

Significant management judgement is required to estimate:

- the future cash flows of the cash generating units, which are sensitive to projected cash flows for the period for which detailed forecasts are available and assumptions regarding the long-term pattern of cash flows thereafter; and
- the rates used to discount cash flows, which are sensitive to the risk-free interest rate in the UK and a premium for the risk of the business being evaluated; these variables are subject to fluctuations beyond management's control.

As part of the annual impairment test, which was performed as at 31 December 2023, and which included sensitivity analysis, management reviewed the current and expected performance of the cash generating units and determined that there was no indication of impairment of the goodwill allocated to them. See note 13 for the carrying amount of goodwill. No impairment of goodwill was identified in 2023 or 2022.

***Funded Defined Benefit Pension Scheme***

The Company uses the granular approach to calculating service and interest cost. The major assumptions used in the actuarial valuation of the funded defined benefit pension scheme operated by the Company are the rate of increase in salaries, the rate of increase in pensions in payment, the discount rate, RPI and CPI inflation rates, and mortality and longevity rates. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Further details are given in note 22.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****3. Brokerage and Fees**

The table below analyses the Company's brokerage and fees by the registered company address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business. Brokerage and fees are attributable to continuing operations.

	2023	2022
<b>Brokerage and Fees</b>	<b>\$m</b>	<b>\$m</b>
United Kingdom	259	234
North America	139	128
Rest of the world	193	209
	<b>591</b>	<b>571</b>

***Contract Balances***

The Company receives payments from customers based on billing schedules or terms as written in its contracts. Those balances denoted as contract assets relate to situations where the Company has completed some or all performance under the contract, however the Company's right to consideration is conditional. Deferred revenue (within Accruals and deferred income) relates to payments received in advance of performance under the contract, and is recognised as revenue as (or when) the Company performs under the contract.

The Company recognised the following contract balances at 31 December 2023 and 2022;

	2023	2022
	<b>\$m</b>	<b>\$m</b>
Trade debtors	193	178
Accrued income	48	34
Contract assets	—	1
Deferred income	(6)	(11)
Total contract balances due within one year	<b>235</b>	<b>202</b>
Trade debtors	5	6
Total contract balances due after more than one year	<b>5</b>	<b>6</b>

As at 1 January 2022, the opening balances for contract balances due within one year was \$343 million, and for contract balances due after more than one year was \$23 million.

During the year ended 31 December 2023, the Company recognised no material revenue related to performance obligations satisfied in a prior period.

***Performance Obligations***

The Company has contracts for which performance obligations have not been satisfied at 31 December 2023 or have been partially satisfied at 31 December 2023 but does not have any revenue that has not been recognised due to this. This does not include contract renewals nor variable consideration, which was excluded from the transaction prices in accordance with the guidance on constraining estimates of variable consideration.

In addition, the Company has elected not to disclose the remaining performance obligations when one or both of the following circumstances apply:

- Performance obligations which are part of a contract that has an original expected duration of less than one year; and
- Performance obligations satisfied in accordance with IFRS 15 paragraph B16 ('right to invoice').

Since most of the Company's contracts are cancellable with less than one year's notice, and have no substantive penalty for cancellation, the majority of the Company's remaining performance obligations as of 31 December 2023 has been excluded for the purpose of this disclosure.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****3. Brokerage and Fees (continued)***Costs to Obtain or Fulfil a Contract*

The Company incurs costs to obtain or fulfil contracts which it would not incur if a contract with a customer was not executed. The following table shows the categories of costs that are capitalised and deferred over the expected life of a contract.

	Costs to fulfil \$m
Balance at 1 January 2022	14
New capitalised costs	74
Amortisation	(75)
<b>Balance at 31 December 2022</b>	<b>13</b>
New capitalised costs	81
Amortisation	(79)
<b>Balance at 31 December 2023</b>	<b>15</b>

	2023 \$m	2022 \$m
<b>4. Operating Profit / (Loss)</b>		
Operating profit / (loss) is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 14)	2	2
Amortisation of intangible assets (note 13)	4	4
Current service cost of pension schemes:		
- defined benefit scheme (note 22)	8	14
- defined contribution scheme (note 22)	15	12
Net foreign currency exchange differences	(29)	93

The foreign exchange gain of \$29 million (2022: loss of \$93 million) shown in the profit and loss account is mainly attributable to the fluctuation in the value of pound sterling to the US dollar during the year in relation to the defined benefit pension scheme net asset.

*Transaction and transformation costs*

Transaction and transformation costs of \$31 million incurred in 2023 (2022: \$17 million) comprised of \$28 million (2022: \$6 million) compensation costs and consulting fees related to WTW's Transformation program, as well as legal fees and other transaction costs, and \$3 million (2022: \$11 million) relating to activities associated with the divestment of Willis Re.

	2023 \$000	2022 \$000
<b>Auditor's Remuneration</b>		
Statutory financial statements audit fee	1,173	1,173
Audit-related assurance services	112	98
	<b>1,285</b>	<b>1,271</b>

Auditor's remuneration of \$1,172,602 (£920,000) (2022: \$1,172,602 (£975,000)) was borne by another group company.

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

<b>5. Employee Costs</b>	<b>2023</b>	<b>2022</b>
	<b>\$m</b>	<b>\$m</b>
Salaries and incentives	406	375
Social security costs	42	42
Pension costs: defined benefit scheme (note 22)	8	14
Pension costs: defined contribution scheme (note 22)	15	12
Gross employee costs	471	443
Amounts borne by fellow subsidiary undertakings	(65)	(73)
<b>Net employee costs</b>	<b>406</b>	<b>370</b>
	<b>2023</b>	<b>2022</b>
<b>Number of Employees – average for the period</b>	<b>Number</b>	<b>Number</b>
Client service and insurance broking	1,629	1,522
Support services	1,097	1,042
	<b>2,726</b>	<b>2,564</b>

Pension costs for the defined benefit scheme include only those items included within operating expenses. Further details of those items and those recorded in interest receivable and similar income and the statement of comprehensive income are presented in note 22.

A number of the Company's employees are seconded to other subsidiary undertakings within WTW. The employment costs of those employees, including salaries, social security and pension costs, are borne and accounted for by those subsidiary undertakings. The costs borne by those subsidiary undertakings decreased from \$73 million in 2022 to \$65 million in 2023.

The Company recognised total expenses in 2023 of \$14 million (2022: \$9 million) related to equity-settled share-based payment transactions to employees. Further details are presented in note 26.

<b>6. Directors' Remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Emoluments (excluding pension contributions, benefits and long-term incentive awards)	3,411	3,230
Amounts receivable under long-term incentive awards	1,105	601
Benefits	41	33
Pension contributions	181	183
	<b>4,738</b>	<b>4,047</b>
<b>Highest Paid Director:</b>		
Emoluments (excluding pension contributions, benefits and long-term incentive awards)	1,036	1,130
Amounts receivable under long-term incentive awards	726	253
Benefits	11	10
Pension contributions	28	17
	<b>1,801</b>	<b>1,410</b>
Exercise of share options during the year	—	—
Shares received during the year	717	—

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****6. Directors' Remuneration (continued)**

	2023	2022
	Number	Number
Directors receiving shares under long-term incentive plans	4	2
Directors eligible for defined benefit pension schemes	2	2
Directors eligible for defined contribution pension schemes	4	5

The Directors working for the Company are employed by other subsidiary undertakings of Willis Towers Watson plc.

<b>7. Impairment Charge</b>	2023	2022
	\$m	\$m
Impairment of Intangible Assets	—	(5)
Impairment of irrecoverable balances	—	(65)
<b>Total impairment</b>	<b>—</b>	<b>(70)</b>

During the first quarter of 2022, WTW announced its intentions to withdraw from its Russian businesses as a result of the conflict with Ukraine. Brokers primarily in our Natural Resources and Construction lines of business historically placed certain Russian insurance contracts in the London market. Most of these were under multi-year terms resulting in debtors due both within, and after more than one year. These balances were rendered irrecoverable as a result of sanctions and prohibitions on business and activity with Russia. Consequently, during 2022, the Company recorded an impairment charge of \$65 million against these receivables, and a further \$5 million impairment charge against a related business introducer agreement held as an intangible asset.

<b>8. Interest Receivable and Similar Income</b>	2023	2022
	\$m	\$m
Bank interest receivable	4	1
Interest receivable from group undertakings	22	9
<b>Total interest income for financial assets measured at amortised cost</b>	<b>26</b>	<b>10</b>
Return on pension scheme assets (note 22)	111	63
Interest on pension scheme liabilities (note 22)	(89)	(51)
<b>Total other finance income</b>	<b>22</b>	<b>12</b>
<b>Total interest receivable and similar income</b>	<b>48</b>	<b>22</b>

<b>9. Interest Payable and Similar Costs</b>	2023	2022
	\$m	\$m
Interest payable to group undertakings	(1)	—
Finance costs on derivatives	—	(1)
<b>Total interest payable and similar costs</b>	<b>(1)</b>	<b>(1)</b>

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****10. Tax (charge) / credit on profit**

	2023	2022
	\$m	\$m
<b>(a) Analysis of charge for the year</b>		
<b>Current tax:</b>		
UK corporation tax	43	7
Adjustments in respect of prior periods	(1)	5
<b>Total current income tax</b>	<b>42</b>	<b>12</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1	5
Impact of changes in tax rates	(1)	(2)
Adjustments in respect of prior periods	—	(5)
Foreign exchange on deferred tax	6	(20)
<b>Total deferred tax (note 10(e))</b>	<b>6</b>	<b>(22)</b>
<b>Tax charge / (credit) in the income statement (note 10(c))</b>	<b>48</b>	<b>(10)</b>
<b>(b) Tax relating to items charged or credited to other comprehensive income</b>		
<b>Deferred tax:</b>		
Actuarial losses on defined benefit pension scheme	21	64
Net (gain)/loss on revaluation of cash flow hedges	(1)	1
<b>Total deferred tax</b>	<b>20</b>	<b>65</b>
<b>Tax credit in the statement of comprehensive income</b>	<b>20</b>	<b>65</b>
<b>(c) Reconciliation of the total tax charge / (credit)</b>		
The tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 23.5% (2022:19%). The differences are explained below:		
Profit before taxation	197	1
Tax calculated at UK standard rate of corporation tax of 23.5% (2022: 19%)	46	—
Effects of:		
Expenses not deductible for tax purposes	1	3
Non-taxable income - overseas branch profits	(1)	(1)
Share-based payment relief	—	—
Changes in deferred tax laws and rates	(1)	(2)
Tax under provided in previous years	(1)	—
Other adjustments including the effects of exchange rates and differences in aggregated deferred and current tax rates	4	(10)
<b>Total tax charge / (credit) in the income statement (note 10(a))</b>	<b>48</b>	<b>(10)</b>



**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****10. Tax (charge) / credit on profit (continued)****(d) 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.

<b>(e) Deferred tax</b>	<b>2023</b>	<b>2022</b>
	<b>\$m</b>	<b>\$m</b>
The deferred tax included in the company balance sheet is as follows:		
<b>Deferred tax liability</b>		
Timing difference on pension asset	<u>(96)</u>	<u>(105)</u>
	<b>(96)</b>	<b>(105)</b>
<b>Deferred tax asset</b>		
Timing difference on share-based payments	7	5
Timing difference on accrued expenses not deductible	8	5
Timing difference on fixed assets	(2)	(3)
Derivatives	—	1
	<u>13</u>	<u>8</u>
<b>Presented on the balance sheet</b>		
Included in creditors (note 19)	<u>(83)</u>	<u>(97)</u>
	<b>(83)</b>	<b>(97)</b>

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.

<b>Deferred tax in the income statement</b>	<b>2023</b>	<b>2022</b>
	<b>\$m</b>	<b>\$m</b>
Pensions	5	2
Share-based payments	(1)	—
Changes in tax laws and rates	(1)	(2)
Accrued expenses not deductible	(3)	(2)
Foreign exchange on non-USD assets	6	(20)
Total deferred tax (note 10(a))	<u>6</u>	<u>(22)</u>

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****11. Discontinued Operations**

In 2021 WTW entered into an agreement with Arthur J. Gallagher & Co. ('Gallagher'), a leading global provider of insurance, risk management and consulting services, to sell its treaty-reinsurance business ('Willis Re') and certain of WTW's corporate risk and broking and health and benefit businesses. The principal closing date of the deal occurred on 1 December 2021. Although the majority of the Willis Re businesses transferred to Gallagher at Principal Closing, the assets and liabilities of certain Willis Re businesses were not transferred to Gallagher at the time due to local territory restrictions ('Deferred Closing').

On 1 April 2022 the Company transferred its Reinsurance business in Dubai to Gallagher, for which it realised a gain on disposal of \$21 million. In addition the Company recognised adjustments of \$4 million during the year, related to the initial sale of Willis Re Limited in 2021.

From the Principal and Deferred close dates the Company continued provide certain services to the Willis Re portfolio under a serving arrangement, which ceased on 1 June 2023 when fiduciary cash of \$794 million and fiduciary creditors of \$794 million were transferred to Gallagher for nil gain or loss. A subsequent agreement on 30 September 2023 between the Company and Gallagher agreed a net settlement of Willis Re related non-fiduciary trade debtors, trade creditors and retained pre-divestment revenues. The net settlement resulted in a net profit on disposal of \$8m in the year.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2023	2022
	\$m	\$m
Brokerage and fees	8	17
Turnover	8	17
Profit on disposal of operations	8	25
<b>Operating profit</b>	<b>16</b>	<b>42</b>
<b>Profit before taxation</b>	<b>16</b>	<b>42</b>
Tax charge on profit	(4)	(3)
<b>Profit for the year</b>	<b>12</b>	<b>39</b>

Certain amounts included in the balance sheet have been excluded from the held-for-sale balances disclosed since the assets did not transfer under the terms of the sale agreement, and instead will be settled by the Company.

During 2023 all significant assets and liabilities related to the Willis Re businesses which were not transferred at the initial date of sale were settled with Gallagher and there remains no positions held on balance sheet as at 31 December 2023. Amounts not classified as held for sale on the balance sheet in 2022 were fiduciary cash and fiduciary liabilities \$837 million, trade debtors \$14 million, other trade creditors \$55 million, prepayments and accrued income \$2 million and deferred income \$9 million.

	2023	2022
	\$m	\$m
<b>12. Dividends Paid and Proposed</b>		
Equity dividends on ordinary shares:		
Interim paid on 26 October 2023 \$2.60 (15 October 2022: \$2.66)	273	279
Additional amounts paid in respect of share based compensation	4	1
	<b>277</b>	<b>280</b>

In November 2023 the Company was charged \$4 million (2022: \$1 million) by Willis Towers Watson plc for the fair market value of shares issued to employees since 1 April 2022.

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

<b>13. Intangible Assets</b>	<b>Acquired customer relationships</b>	<b>Software and development costs</b>	<b>Goodwill</b>	<b>Total intangible assets</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<i>Cost</i>				
1 January 2023	30	26	147	203
Additions	—	4	—	4
31 December 2023	<u>30</u>	<u>30</u>	<u>147</u>	<u>207</u>
<i>Amortisation</i>				
1 January 2023	23	24	—	47
Amortisation charge	2	2	—	4
31 December 2023	<u>25</u>	<u>26</u>	<u>—</u>	<u>51</u>
<i>Carrying amount 31 December 2023</i>	<u>5</u>	<u>4</u>	<u>147</u>	<u>156</u>
<i>Carrying amount 31 December 2022</i>	<u>7</u>	<u>2</u>	<u>147</u>	<u>156</u>

All intangible fixed assets are considered to have finite lives.

Software and development costs includes internally generated software development costs relating to the development of systems to support our insurance broking activities. At 31 December 2023, the carrying amount was \$4 million (2022: \$2 million). These intangible assets are being amortised on a straight line basis and have a remaining amortisation period of between 1 and 7 years.

At 31 December 2023, accumulated impairment losses were \$12 million (2022: \$12 million).

As described in note 1, the Company allocates goodwill acquired in a business combination and intangible assets in respect of acquired customer relationships to cash generating units (or groups of cash generating units) that are expected to benefit from the combination. Management has determined the recoverable amount for each cash generating unit based on a value in use calculation. Management has performed sensitivity analysis which indicates that any reasonably possible changes to these assumptions, individually or combined, would not cause the recoverable amount of the goodwill relating to either cash generating unit to fall below its carrying value. The carrying values are attributable entirely to our Risk and Broking segment.

<b>14. Tangible Fixed Assets</b>	<b>Equipment</b>	<b>Right-of-use asset</b>	<b>Freehold land and buildings</b>	<b>Total tangible fixed assets</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<i>Cost or valuation</i>				
1 January 2023	1	3	45	49
Disposals	—	(1)	—	(1)
31 December 2023	<u>1</u>	<u>2</u>	<u>45</u>	<u>48</u>
<i>Depreciation</i>				
1 January 2023	1	1	24	26
Charge for the year	—	—	2	2
31 December 2023	<u>1</u>	<u>1</u>	<u>26</u>	<u>28</u>
<i>Carrying amount 31 December 2023</i>	<u>—</u>	<u>1</u>	<u>19</u>	<u>20</u>
<i>Carrying amount 31 December 2022</i>	<u>—</u>	<u>2</u>	<u>21</u>	<u>23</u>

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

<b>15. Investments held as Fixed Assets</b>	<b>Subsidiary undertakings \$m</b>
<i>Cost or fair value</i>	
1 January 2023 and 31 December 2023	<u>5</u>

In the opinion of the Directors, the fair value of the shares in the subsidiary and associate undertakings is not less than the amount shown in the balance sheet. The Company's investment in subsidiary undertakings represents the recoverable amount of its holding in PPH Limited, a holding company owned directly by Willis Limited. Willis Limited holds 100% share capital in PPH Limited which is made up of ordinary class of shares of £1 each. The registered office of PPH Limited is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM10, Bermuda.

<b>16. Debtors</b>	<b>2023 \$m</b>	<b>2022 \$m</b>
<i>Amounts falling due within one year:</i>		
Trade debtors	193	178
Amounts owed by group undertakings	279	428
Prepayments and accrued income	48	35
Deferred contract costs	15	13
VAT receivable	5	2
Derivative financial instruments	3	2
Other debtors	4	6
	<u>547</u>	<u>664</u>
<i>Amounts falling due after more than one year:</i>		
Trade debtors	5	6
Total	<u>5</u>	<u>6</u>
	<u>552</u>	<u>670</u>

The amounts owed by group undertakings included loans totalling \$251 million (2022: \$421 million) subject to interest of USD 1 month LIBOR. The remaining amounts represent non-interest bearing balances. All balances are unsecured and repayable on demand.

The Company has replaced any USD LIBOR based facility arrangements with a new USD benchmark interest rate effective from 1 May 2023. See the Strategic Report for further details.

Certain amounts have been reclassified from the prior year to conform to the current year presentation.

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

	2023	2022
<b>17. Creditors: amounts falling due within one year</b>	<b>\$m</b>	<b>\$m</b>
Trade creditors	48	97
Amounts owed to group undertakings	9	5
Amounts owed to group undertakings in respect of corporation taxation group relief	46	15
Accruals and deferred income	95	92
Income tax and national insurance	8	7
VAT payable	9	5
Derivative financial instruments	1	5
Other creditors	9	6
	<u>225</u>	<u>232</u>

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

Included in other creditors is a lease liability amounting to \$1 million (2022: \$1 million), relating to properties in Glasgow and Reading. These leases are due to expire on 22 August 2032 and 25 June 2028, respectively.

	2023	2022
<b>18. Fiduciary liabilities: amounts falling due within one year</b>	<b>\$m</b>	<b>\$m</b>
Fiduciary trade creditors	783	1,653
	<u>783</u>	<u>1,653</u>

	2023	2022
<b>19. Creditors: amounts falling due after more than one year</b>	<b>\$m</b>	<b>\$m</b>
Deferred tax liability	83	97
Accruals and deferred income	27	14
	<u>110</u>	<u>111</u>

<b>20. Provisions for liabilities</b>	Post placement services \$m	Claims and lawsuits \$m	Total \$m
1 January 2023			
Current	9	2	11
Non-current	6	9	15
	<u>15</u>	<u>11</u>	<u>26</u>
Charged to profit and loss account, net	1	1	2
Utilised in the year	—	(2)	(2)
31 December 2023	<u>16</u>	<u>10</u>	<u>26</u>
<i>Analysed as:</i>			
Current	9	1	10
Non-current	7	9	16
	<u>16</u>	<u>10</u>	<u>26</u>

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****20. Provisions for liabilities (continued)***Post placement services provision*

The provision comprises an estimate of the future liabilities that arise from the placement of policies in this year and from previous years. The provision is based upon three key assumptions:

- the length of time the Company typically take to provide post placement services;
- the number of claims we are likely to process in that time; and
- the average cost per claim.

The Company seeks to limit its exposure to such liabilities through the use of appropriately worded 'Terms of Business Agreements' with clients.

*Claims and lawsuits provision (including errors and omissions provisions)*

The provision comprises estimates for liabilities that may arise from actual and potential claims and lawsuits for errors and omissions from the Company's insurers. Where some of the potential liability is recoverable under insurance arrangements, the full assessment of the liability is included in the provision with the associated insurance recovery shown within amounts receivable from group undertakings. Insurance recoveries recognised at 31 December 2023 amounted to \$1 million (31 December 2022: nil).

	2023	2022
21. Share Capital and Reserves	\$m	\$m
<b>Allotted, called up and fully paid</b>		
105,000,000 (2022: 105,000,000) ordinary shares of £1 each	153	153

The Company has one class of ordinary shares, which carry no right to fixed income.

The Company's other reserves comprise:

- Retained earnings, which represents cumulative profits or losses, net of dividends paid, share based payments and other comprehensive income adjustments.
- Cash flow hedging reserve, which comprises unrealised foreign exchange gains and losses on open forward contracts.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****22. Pensions*****Defined Benefit Scheme***

The Company operates a defined benefit pension scheme in the UK on behalf of its employees and employees working for or seconded to other subsidiary companies of Willis Towers Watson plc. The scheme is administered by a separate fund that is legally separated from the Company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plans. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

Under the scheme, the employees are entitled to post-retirement benefits payable monthly for life. The pension is payable from retirement age and determined using a formula based on pensionable salary and pensionable service (both of which are subject to a cap) in the Scheme. The pension increases in payment each year. A spouse's pension is also payable to eligible dependants following the death of the member.

The defined benefit scheme requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions. The scheme was closed to new entrants on 1 January 2006.

Defined benefit pension schemes typically expose companies to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit scheme liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on scheme asset is below this rate, it will create a scheme deficit. The scheme's investments are shown in the Fair value hierarchy section, below. Due to the long-term nature of the scheme liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the scheme assets should be invested in debt securities to match the scheme's liabilities.
Interest Risk	A decrease in the bond interest rate will increase the scheme liability but this will be partially offset by an increase in the return on the scheme's debt investments.
Longevity Risk	The present value of the defined benefit scheme liability is calculated by reference to the best estimate of the mortality of scheme participants both during and after their employment. An increase in the life expectancy of the scheme participants will increase the scheme's liability.
Salary Risk	The present value of the defined benefit scheme liability is calculated by reference to the future salaries of scheme participants. As such, an increase in the pensionable salary of the scheme participants will increase the scheme's liability subject to the pensionable salary cap.

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****22. Pensions (continued)*****Defined Benefit Scheme (continued)***

A full actuarial valuation was carried out at 31 December 2023 by a qualified independent actuary. The major assumptions used for the actuarial valuation were:

	<b>2023</b>	2022
	<b>%</b>	%
	<hr/>	<hr/>
Rate of increase in pensions in payment (LPI 5%)	<b>3.0</b>	3.2
Rate of increase in pensions in payment (LPI 2.5%)(i)	<b>2.0</b>	2.1
Discount rate PBO	<b>4.7</b>	5.0
Discount rate service cost	<b>4.7</b>	5.0
Discount rate interest cost on PBO	<b>4.7</b>	4.9
Discount rate interest rate on service cost	<b>4.7</b>	4.9
Inflation assumption (RPI)	<b>3.1</b>	3.3
Inflation assumption (CPI)	<b>2.6</b>	2.8
	<b>86%/83%</b>	91%/91%
	<b>S2NA for</b>	S2NA for
	<b>males/</b>	males/
	<b>females,</b>	females,
	<b>CM1.5%</b>	CM1% long-
	<b>long-term</b>	term
	<b>improvement</b>	improvement
Mortality (ii)		

(i) Based on CPI inflation.

(ii) S2NA and S1NA represent mortality tables; CMI represents assumed improvement in mortality.

	<b>2023</b>	2022
	<b>\$m</b>	\$m
	<hr/>	<hr/>
Current service cost	<b>6</b>	12
Administrative expense	<b>2</b>	2
Total operating charge	<b>8</b>	14

A High Court judgment on 26 October 2018 ruled that schemes had a legal obligation to pay benefits allowing for GMP equalisation. On 20 November 2020, the High Court ruled that individual transfer payments made since 17 May 1990 would also need to be equalised for the effects of GMP. An estimated allowance for the impact of both judgments is included in the defined benefit obligation.

	<b>2023</b>	2022
	<b>\$m</b>	\$m
	<hr/>	<hr/>
Interest income on pension scheme assets	<b>(111)</b>	(63)
Interest cost on pension scheme liabilities	<b>89</b>	51
Net interest on the net defined benefit pension scheme asset	<b>(22)</b>	(12)



**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****22. Pensions (continued)***Analysis of the amount recognised in other comprehensive income (before deferred tax):*

	2023	2022
	\$m	\$m
Return on pension scheme assets (excluding interest income)	(124)	(1,271)
Actuarial experience losses and gains arising on the scheme liabilities	25	(56)
Changes in actuarial demographic assumptions underlying the present value of the scheme liabilities	76	2
Changes in actuarial financial assumptions underlying the present value of the scheme liabilities	(60)	1,071
	<u>(83)</u>	<u>(254)</u>

*Analysis of amounts included in the balance sheet:*

	2023	2022
	\$m	\$m
Fair value of scheme assets	2,263	2,228
Present value of scheme liabilities	(1,879)	(1,808)
Surplus	<u>384</u>	<u>420</u>

*Movements in fair value of scheme assets during the year:*

	2023	2022
	\$m	\$m
At 1 January	2,228	3,980
Interest income on assets	111	63
Contributions from the Company	8	13
Benefits paid	(96)	(108)
Administration expenses	—	(2)
Return on assets excluding amounts included in net interest	(124)	(1,271)
Exchange adjustments	136	(447)
At 31 December	<u>2,263</u>	<u>2,228</u>

*Movements in present value of scheme liabilities during the year:*

	2023	2022
	\$m	\$m
At 1 January	1,808	3,233
Current service cost	6	12
Interest cost	89	51
Benefits paid	(96)	(108)
Administration costs and taxes	3	—
Actuarial gain	(41)	(1,017)
Exchange adjustments	110	(363)
At 31 December	<u>1,879</u>	<u>1,808</u>

The Defined Benefit Obligation (“DBO”) includes benefits for current employees, former employees and current pensioners. Broadly, about 10% of the DBO is attributable to current employees, 30% to former employees and 60% to current pensioners. The duration of the Scheme’s liabilities at 31 December 2023 is approximately 13.5 years (2022: 13.3 years).

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****22. Pensions (continued)***Analysis of scheme assets and expected return:*

	<u>Fair value of assets</u>	
	2023	2022
	\$m	\$m
Equity instruments	35	—
Debt instruments	1,453	1,277
Other	775	951
	<u>2,263</u>	<u>2,228</u>

The actual return on scheme assets for the year ended 31 December 2023 was a loss of \$13 million (2022: loss of \$1,208 million).

*Fair value hierarchy*

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value:

- Level 1: refers to fair values determined based on quoted market prices in active markets for identical assets;
- Level 2: refers to fair value estimated using observable market based inputs or unobservable inputs that are corroborated by market data; and
- Level 3: includes fair values estimated using unobservable inputs that are not corroborated by market data.

The following table presents, at 31 December 2023, for each of the fair value hierarchy levels, the Company's UK pension plan assets that are measured at fair value on a recurring basis:

	<u>Fair value of plan assets as at 31 December 2023</u>			
	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Equity securities:				
UK equities	35	—	—	35
Fixed income securities:				
UK Government bonds	1,270	—	—	1,270
UK corporate bonds	282	—	—	282
Derivatives	—	(379)	—	(379)
Real estate	—	—	112	112
Cash and cash equivalents	168	—	—	168
Other investments:				
Hedge funds	—	397	377	774
Other	—	1	—	1
	<u>1,755</u>	<u>19</u>	<u>489</u>	<u>2,263</u>

The latest funding valuation of the Scheme was performed at 31 December 2022. Based on the preliminary results of this valuation, a revised Schedule of Contributions was agreed in July 2023. Following completion of the valuation in March 2024, an updated Schedule of Contributions was agreed from that date. Under these Schedules of Contributions, no further Company contributions are payable to the Scheme from July 2023, other than those paid on behalf of the Scheme members via the Salary Sacrifice arrangement.

The contributions paid by the Company for 2023 (excluding salary sacrifice contributions) amounted to £4 million (\$5 million), comprised solely of regular contributions. The contributions paid by the Company for 2022 (excluding salary sacrifice contributions) amounted to £9 million (\$11 million).

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****22. Pensions (continued)***Fair value hierarchy (continued)*

With all other assumptions held constant, as at 31 December 2023:

- a 0.25% increase in the discount rate would decrease plan liabilities by approximately £44 million (\$56 million);
- a 0.25% increase in the inflation assumption would increase plan liabilities by approximately £15 million (\$19 million); and
- a 1 year increase in the mortality assumption would increase plan liabilities by approximately £37 million (\$47 million).

As the above sensitivity analysis held all other assumptions constant, the results are not necessarily indicative of those that would occur given the interdependence of assumptions in practice.

*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 £12 million (\$15 million) (2022: £10 million (\$12 million)).

**23. Forward Sale of Currency**

The Company earns revenue in a number of different currencies, principally US dollars, pounds sterling, Euro and Japanese Yen, but incurs expenses almost entirely in pounds sterling.

The Company hedges the risk as follows:

- To the extent that forecast pound sterling expenses exceed pound sterling revenues, WTW limits its exposure to this exchange rate risk by the use of forward contracts matched by specific, clearly identified cash outflows arising in the ordinary course of business; and
- The UK operations of WTW also earn significant revenues in Euros and Japanese Yen. The exposure to changes in the exchange rate between the US dollar and these currencies is limited by the use of forward and option contracts matched to a percentage of forecast cash inflows in specific currencies and periods.

The Company participates in WTW's risk management activities in relation to foreign exchange risk. Market values for our derivative instruments have been used to determine the fair values of forward and option foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account observable information about the current foreign currency forward rates. Until December 2022, forward contracts for the purchase/sale of foreign currencies were entered into by another subsidiary undertaking. The Company then entered into back-to-back contracts with that subsidiary undertaking. Since December 2022, the Company obtained a trading licence to enter into forward and option contracts direct with the banking counterparty.

At 31 December 2023 the Company has entered into forward and option contracts for the purchase/sale of foreign currencies, either direct or via the back-to-back relationship described above. The total fair value of the forward and option contract assets were \$3 million and of the liabilities was \$1 million (2022: assets \$2 million and liabilities \$5 million respectively).

These forward and option contracts are summarised below:

<b>Contracts maturing:</b>	<b>Purchase GBP Million/Rate to USD</b>		<b>Sale EUR Million/Rate to USD</b>		<b>Sale JPY Million/Rate to USD</b>	
1 January 2024 to 31 December 2024	51.5	/ 1.231	23.0	/ 1.072	30.0	/ 127.178
1 January 2025 to 31 December 2025	20.5	/ 1.239	5.0	/ 1.093	—	/ —

**WILLIS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****24. Directors' Interests in Contracts**

The Company and other insurance broking subsidiary undertakings of Willis Towers Watson plc place risks with syndicates in which the Directors or connected persons (as defined in Section 252 of the Companies Act 2006) participate in the normal course of their broking activities on the same basis as they do with other Lloyd's syndicates.

**25. Related Party Transactions and Balances**

During the year the Company transacted in the ordinary course of business brokerage with associated undertakings listed below. Amounts owed by and to associated undertakings are disclosed in notes 16 and 17 within trade debtors and trade creditors respectively. These amounts all relate to trading.

	2023 Balance at end of financial year \$m	2023 Transactions in financial year \$m	2022 Balance at end of financial year \$m	2022 Transactions in financial year \$m
Willis Insurance Brokers (B) Sdn Bhd	—	1	—	—
Al Futtaim Willis LLC	(1)	1	—	2
Abu Dhabi National Insurance Company	(1)	—	(1)	—
Sukoon Insurance PJSC (formerly known as Oman Insurance Company (PSC))	—	—	(1)	—
Other parties < \$1 million	(2)	—	(3)	1
	(4)	2	(5)	3

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

**26. Share-based Payments*****Share-based Plans***

On 31 December 2023, Willis Towers Watson plc, the ultimate parent company of Willis Limited, had a number of open share-based compensation plans, which provide for the grant of time-based and performance-based options, time-based and performance-based restricted stock units and various other share-based grants to employees of Willis Limited. The objectives of these plans include attracting and retaining the best personnel, motivating management personnel by means of growth-related incentives to achieve long-range goals and providing employees with the opportunity to increase their share ownership in Willis Limited. All of WTW's share-based compensation plans under which any options, restricted stock units or other share-based grants are outstanding as of 31 December 2023 are described below. The Company recognised total expenses in 2023 of \$14 million gross of tax (2022: \$9 million gross of tax) related to equity-settled share-based payment transactions to employees.

***2012 Equity Incentive Plan***

This plan, established on 25 April 2012 and amended and restated on 10 June 2016, provides for the granting of incentive stock options, time-based or performance-based non-statutory stock options, share appreciation rights, restricted shares, time-based or performance-based RSUs, performance-based awards and other share-based grants or any combination thereof to employees, officers, non-employee directors and consultants of the Company ('2012 Plan'). The WTW Board of Directors also adopted a sub-plan under the 2012 Plan to provide an employee sharesave scheme in the UK. There were approximately 4 million shares remaining available for grant under this plan as of 31 December 2023. The 2012 Plan shall continue in effect until terminated by the WTW board of directors, except that no incentive stock option may be granted under the 2012 Plan after 21 April 2026 or after its expiration. That termination will not affect the validity of any grants outstanding at that date.

## **WILLIS LIMITED**

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

#### **26. Share-based Payments (continued)**

##### *Option Valuation Assumptions*

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of Willis Towers Watson plc' shares. WTW uses the simplified method set out in the Financial Accounting Standards Board's ('FASB') Accounting Standard Codification ('ASC') 718-Compensation - Stock Compensation to derive the expected term of options granted as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The risk-free interest rate for periods within the expected life of the option is based on the US Treasury yield curve in effect at the time of grant.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2023 was \$239.71.

The fair value of each time-based restricted stock unit is based on the grant date fair value. 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. The risk-free rate is based on the US Treasury yield curve in effect at the time of the grant.

---