

TRINITY PROCESSING SERVICES LIMITED
(Registered No 1404518)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTORS

J Scampas – Chairman
IC Gale (appointed 1 April 2007)
Willis Corporate Director Services Limited (appointed 31 October 2007)

SECRETARY

SK Bryant

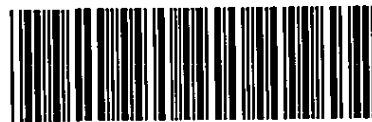
REGISTERED OFFICE

Ten Trinity Square
London EC3P 3AX

AUDITORS

Deloitte & Touche LLP
London

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DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2006

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2006

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal business of the Company is to provide and/or to procure the provision of services for insurance claims processing, insurance accounting for clients and underwriters, insurance premium processing, insurance proportional treaty accounting and matters connected therewith

RESULTS

The profit on ordinary activities after taxation amounted to £339,778 (2005 loss of £22,669)

FUTURE DEVELOPMENTS

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

DIVIDENDS

No interim dividend was paid during the year (2005 £nil) The Directors do not recommend the payment of a final dividend (2005 £nil)

ENHANCED BUSINESS REVIEW

The Directors' Report is not required to include an enhanced business review Advantage has been taken of the provisions of s 246 of the Companies Act 1985 (as amended)

DIRECTORS AND THEIR INTERESTS

The current Directors of the Company are shown on page 1 which forms part of this report SD Smith, IC Gale and Willis Corporate Director Services Limited were appointed with effect from 3 January 2006, 1 April 2007 and 31 October 2007 respectively G Aguilar-Milan and SD Smith resigned on 3 January 2006 and 22 June 2007 respectively There were no other changes in Directors during the year or after the year end

The Directors have no disclosable interests in the shares of the Company or of its fellow group companies Advantage has been taken of the provisions of the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for preparing their annual report and the financial statements in accordance with applicable law and regulations for each financial year 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) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period In preparing these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITORS

Each current Director of the Company confirms that

- so far as he is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2006 (continued)

AUDITORS

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985

By Order of the Board



SK Bryant
Secretary



Ten Trinity Square
London EC3P 3AX

2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY PROCESSING SERVICES LIMITED

We have audited the financial statements of Trinity Processing Services Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the movement in shareholders' funds, and the related notes numbered 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

31 October 2007

TRINITY PROCESSING SERVICES LIMITED**5****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
TURNOVER	3	4,616,565	7,120,720
Operating expenses		<u>(4,179,065)</u>	<u>(7,064,627)</u>
OPERATING PROFIT	4	437,500	56,093
Interest and investment income	5	28,898	13,768
Interest payable	6	-	71,415
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>466,398</u>	<u>(1,554)</u>
Tax on profit/(loss) on ordinary activities	9	<u>(126,620)</u>	<u>(21,115)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>339,778</u>	<u>(22,669)</u>

All activities derive from continuing operations

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £339,778 in the year ended 31 December 2006 and the loss of £22,669 in the year ended 31 December 2005

TRINITY PROCESSING SERVICES LIMITED**6****BALANCE SHEET AS AT 31 DECEMBER 2006**

	Note	2006 £	2005 £
CURRENT ASSETS			
Debtors	10	2,802,996	3,956,534
Deposits and cash		45,275	239,128
		<u>2,848,271</u>	<u>4,195,662</u>
CURRENT LIABILITIES			
CREDITORS amounts falling due within one year	11	438,292	2,125,461
NET CURRENT ASSETS		<u>2,409,979</u>	<u>2,070,201</u>
CAPITAL AND RESERVES			
Called up share capital	12	800,000	800,000
Profit and loss account	13	1,609,979	1,270,201
EQUITY SHAREHOLDERS' FUNDS		<u>2,409,979</u>	<u>2,070,201</u>

These financial statements were approved by the Board of Directors on 31 October 2007 and signed on its behalf



Authorised Signatory of
Willis Corporate Director Services Limited
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £
Profit/(loss) for the year after taxation	339,778	(22,669)
Net movement in shareholders' funds for the year	339,778	(22,669)
Shareholders' funds at 1 January	2,070,201	2,092,870
Shareholders' funds at 31 December	<u>2,409,979</u>	<u>2,070,201</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ULTIMATE PARENT COMPANY

The Company's immediate parent company and controlling undertaking is Willis Faber Limited. The Company's ultimate parent company and controlling party is Willis Group Holdings Limited, a company incorporated in Bermuda, whose group financial statements are available from the Company Secretary, Ten Trinity Square, London EC3P 3AX.

The results of the Company are only consolidated by Willis Group Holdings Limited.

2 ACCOUNTING POLICIES

- (a) **Basis of preparation**
These financial statements have been prepared on the going concern basis under the historical cost convention and comply with applicable law and accounting standards in the United Kingdom.
- (b) **Revenue recognition**
Fees are accounted for on a receivable basis.
- (c) **Currency translation**
Transactions in currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.
- (d) **Cash flow statement**
Under FRS1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is prepared at Group level.
- (e) **Pensions**
The Company participates in both a Group defined benefit pension scheme and a Group defined contribution scheme. The staff working for the Company are employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings Limited.
 - (i) **Defined benefit scheme**
As the Directors are unable to identify the Company's share of the scheme's underlying assets and liabilities, the Company recognises as its pension cost the contributions payable under the scheme during the year, as allowed by FRS17. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contributions rates are based on pension costs across the Group's UK companies as a whole.
 - (ii) **Defined contribution scheme**
The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.
- (f) **Taxation**
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

3 TURNOVER

The table below analyses the Company's turnover by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business. Fees relate to the provision/procurement of services for insurance claims processing, insurance accounting for clients and underwriters, insurance premium processing, insurance proportional treaty accounting and matters connected therewith.

	2006 £	2005 £
United Kingdom	4,284,113	5,919,220
North America	332,452	1,201,500
	4,616,565	7,120,720

4 OPERATING PROFIT

	2006 £	2005 £
Bad debt write off	-	461,275
Irrecoverable VAT	-	261,929

All auditors' remuneration of £5,000 (2005 £4,800) was borne by another Group company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

5	INTEREST AND INVESTMENT INCOME	2006 £	2005 £
	Interest receivable	28,898	13,768
6	INTEREST PAYABLE	2006 £	2005 £
	Other interest	-	(71,415)
7	EMPLOYEES	2006 £	2005 £
	Employee costs		
	Salaries	-	111,149
	Social security costs	-	13,563
	Other pension costs	-	2,475
		-	127,187
	Amounts reimbursed by fellow subsidiary undertakings	-	(91,180)
		-	36,007
		2006 Number	2005 Number
	Number of employees - average for the year	-	1

The staff working for the Company were employed by other subsidiary undertakings of Willis Group Holdings Limited. The Company bore the cost of the salaries, social security payments and pension contributions relating to such staff and reimbursed the employing company for the full amount of the costs incurred, as shown above.

A number of the Company's employees were seconded on a part time basis to other subsidiary undertakings within the Willis Group. Whilst the Company accounted for the employment costs of those employees, including salaries, social security and pension costs, they were reimbursed by those subsidiary undertakings.

8 DIRECTOR'S REMUNERATION

In the prior year only one Director was paid by the Company and their emoluments were as follows (other Directors were employed and compensated by other Group companies)

	2006 £	2005 £
Emoluments, (excluding pension contributions)	-	136,881
Benefits	-	2,475
	-	139,356
	2006 Number	2005 Number
Directors eligible for defined benefit pension scheme	-	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

9	TAX ON PROFIT ON ORDINARY ACTIVITIES	2006	2005
		£	£
(a)	Analysis of charge in the year		
	Current tax		
	UK corporation tax on profits of 30% (2005 30%)	139,919	21,852
	Double tax relief	(20,979)	(18,448)
		<u>118,940</u>	<u>3,404</u>
	Foreign tax on profits for the year	20,979	18,448
	Adjustments in respect of prior periods	(13,299)	(737)
		<u>7,680</u>	<u>17,711</u>
	Total current tax (note 9(b))	<u>126,620</u>	<u>21,115</u>
(b)	Factors affecting tax charge for the year		
	The tax assessed for the period is lower than (2005 higher than) the standard rate of corporation tax in the UK (30%) The differences are explained below		
	Profit/(loss) on ordinary activities before tax	466,398	(1,554)
	Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	139,919	(466)
	Effects of		
	Disallowable interest	-	22,318
	Adjustments to tax charge in respect of prior years	(13,299)	(737)
	Current tax charge for the year (note 9(a))	<u>126,620</u>	<u>21,115</u>
10	DEBTORS	2006	2005
		£	£
	Due within one year		
	Trade debtors	-	907,186
	Amounts owed by Group undertakings	2,802,996	3,031,814
	Prepayments	-	17,534
		<u>2,802,996</u>	<u>3,956,534</u>
11	CREDITORS amounts falling due within one year	2006	2005
		£	£
	Amounts owed to Group undertakings	303,883	1,507,785
	Corporation tax	49,579	58,461
	Accruals and deferred income	-	3,361
	Other creditors	84,830	555,854
		<u>438,292</u>	<u>2,125,461</u>
12	CALLED UP SHARE CAPITAL	2006	2005
		£	£
	Authorised		
	1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	Allotted, issued and fully paid		
	800,000 Ordinary shares of £1 each	800,000	800,000
13	PROFIT AND LOSS ACCOUNT	2006	2005
		£	£
	1 January	1,270,201	1,292,870
	Profit/(loss) on ordinary activities after taxation for the year	339,778	(22,669)
	31 December	<u>1,609,979</u>	<u>1,270,201</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

14 PENSIONS

Defined Benefit Scheme

The Company is a member of the Willis Pension Scheme in the United Kingdom ("the Scheme"), which is funded externally and is of the defined benefit type. The staff working for the Company are employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings Limited. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contributions rates are based on pension costs across the Group's UK companies as a whole.

The most recent actuarial valuation of the Scheme was at 31 December 2004. The most recent actuarial valuation has been reviewed and updated as at 31 December 2006 to take account of the requirements of FRS17 "Retirement Benefits", in order to assess the liabilities of the Scheme at 31 December 2006.

The Directors consider that the share of the Scheme's underlying assets and liabilities attributable to the Company's employees cannot be separately identified as several Group companies participate in the Scheme. Accordingly all scheme assets and liabilities are included on the balance sheet of Willis Limited. The Scheme showed an overall surplus after tax of \$147.8 million (£75.4 million) at 31 December 2006 compared with an overall deficit after tax of \$102.8 million (£59.8 million) at 31 December 2005. Company contribution rates increased from 14.5% to 14.6% of pensionable earnings with effect from 1 January 2006. In addition, the Scheme contributions increased to the rate of 4% in 2006 for employed members who joined pre-1995 to bring their contributions in line with employed members who joined post-1995 and to the rate of 6% for all employed members in 2007.

Full disclosures for the Scheme under FRS17 are included in the financial statements of Willis Limited.

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

Defined Contribution Scheme

The Company operated a defined contribution scheme for new members from 1 January 2006.

15 RELATED PARTY TRANSACTIONS

FRS 8 exempts the reporting of transactions between Group companies in the accounts of companies 90% or more of whose voting rights are controlled within the Group. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.

16 EVENTS AFTER THE BALANCE SHEET DATE

During 2007 the Company received VAT refunds from HM Revenue and Customs totalling £250,875.07. The Company had written off this amount as irrecoverable VAT in 2005.