TRINITY PROCESSING SERVICES LIMITED

(Registered No. 1404518)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

DIRECTORS

AB Hedgecock - Chairman
LJH Brock
GM Aguilar-Millan

SECRETARY

TM Warren

REGISTERED OFFICE

Ten Trinity Square
London EC3P 3AX

AUDITORS

Deloitte & Touche LLP
London

LN6NPZRG
LD2 0445
COMPANIES HOUSE 29/10/04

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2003

The directors present their report, together with the financial statements, for the year ended 31 December 2003.

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.

The profit on ordinary activities after taxation amounted to £376,863 (2002: £292,692).

FUTURE DEVELOPMENTS

The Company does not anticipate any changes to its business activities in the coming years.

DIVIDENDS

No interim dividend was paid during the year (2002 : £nil). The directors do not recommend the payment of a final dividend (2002: £nil).

DIRECTORS AND THEIR INTERESTS

The present directors of the Company are named on page 1 which forms part of this report. All of the directors served throughout the year. There were no resignations during the year or after the year end.

The directors who held office on 31 December 2003 and whose interests are not reported in the accounts of a parent company had the following interests in the common shares of Willis Group Holdings Limited, the ultimate parent company, as recorded in the register kept for the purpose. All of the directors served throughout the year. There were no resignations during the year or after the year end.

Director	Common shares of $0.000115 each		Options over common shares of $0.000115 each			
	1.1.2003	31.12.2003	1.1.2003	Granted	Exercised	31.12.2003
AB Hedgecock	104,000	153,819	180,590	98	80,000	100,688
LJH Brock	1,026	1,026	2,050	-	-	2,050
G Aguilar-Millan	13,350	7,333	31,643	5,000	3,125	33,518

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The directors are required to report on their responsibilities in relation to the preparation of accounts for each financial year and the following statement should be read in conjunction with the auditors' statement of their responsibilities set out on page 4.

The Companies Act 1985 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

In preparing the financial statements on pages 5 to 11 the directors consider that:

(a) they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates;
(b) all applicable accounting standards, have been followed;
(c) it is appropriate to prepare the financial statements on the going concern basis.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985 (as amended).

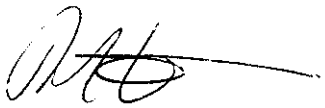
They are also responsible for the system of internal control, for safeguarding the assets of the Company and have taken reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2003 (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



TM Warren
Secretary

27 October 2004
Ten Trinity Square
London EC3P 3AX

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 2003 which comprise the profit and loss account, the balance sheet, movement in shareholders' funds and the related notes 1 to 15. 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 the 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

As described in the statement of the directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of the Company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

27 October 2004

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER	3	4,798,368	4,590,217
Operating expenses		4,219,562	4,170,064
OPERATING PROFIT	4	578,806	420,153
Interest and investment income	5	3,522	-
Interest payable	6	85	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		582,243	420,153
Tax on profit on ordinary activities	9	205,380	127,461
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		376,863	292,692
RETAINED PROFIT FOR THE FINANCIAL YEAR	13	376,863	292,692

All activities derive from continuing operations.

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2003

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £376,863 in the year ended 31 December 2003 and of £292,692 in the year ended 31 December 2002.

BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	10	2,207,713	1,754,508
Deposits and cash		53,596	2,086
		2,261,309	1,756,594
CURRENT LIABILITIES			
CREDITORS : amounts falling due within one year	11	713,033	585,181
NET CURRENT ASSETS		1,548,276	1,171,413
CAPITAL AND RESERVES			
Called up share capital	12	800,000	800,000
Profit and loss account	13	748,276	371,413
EQUITY SHAREHOLDERS' FUNDS		1,548,276	1,171,413

These financial statements were approved by the Board of directors on 27 October 2004.

Signed on behalf of the Board of directors:

AB Hedgecock
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2003

	2003 £	2002 £
Profit for the financial year	376,863	292,692
Net movement in shareholders' funds for the year	376,863	292,692
Shareholders' funds at 1 January	1,171,413	878,721
Shareholders' funds at 31 December	1,548,276	1,171,413

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ULTIMATE PARENT COMPANY

The Company is a wholly-owned subsidiary of Willis Faber Limited. The Company's ultimate parent company 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.

Until 21 April 2004 the Company's ultimate controlling party was KKR 1996 Overseas, Limited, which is incorporated in the Cayman Islands.

The largest group in which the results of the Company are consolidated is that headed by Willis Group Holdings Limited, with the smallest group being headed by TA I Limited. The consolidated financial statements for these groups are available to members of the public from the Company Secretary, Ten Trinity Square, London EC3P 3AX.

2. ACCOUNTING POLICIES

(a) Basis of preparation
These accounts have been prepared on the going concern basis under the historical cost convention and comply with accounting standards applicable 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 regular cost of providing benefits is charged to operating profit over the employees' service lives on the basis of a constant percentage of pensionable earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated to operating profit on a systematic basis over the expected remaining service lives of current employees. Pension contributions charged to the Company are based on pension costs across the Group's UK companies as a whole.

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/procuration of services for insurance claims processing, insurance accounting for clients and underwriters, insurance premium processing, insurance proportional treaty accounting and matters connected therewith.

	2003 £	2002 £
United Kingdom	4,365,890	3,435,019
North America	432,478	1,155,198
	4,798,368	4,590,217

4. OPERATING PROFIT

Audit fees were borne by another Group company in the year ending 31 December 2003 and for the year ending 31 December 2002.

5. INTEREST AND INVESTMENT INCOME

	2003 £	2002 £
Interest receivable	3,522	-

6. INTEREST PAYABLE

	2003 £	2002 £
Overdrafts	85	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

7. EMPLOYEES

	2003 £	2002 £
Employee costs :		
Salaries	102,160	429,073
Social security costs	25,081	44,704
Other pension costs	2,439	12,396
	129,680	486,173
Amounts reimbursed by fellow subsidiary undertakings	(95,016)	(83,453)
	34,664	402,720

	2003 Number	2002 Number
Number of employees - average for the year	3	5

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

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

8. DIRECTOR'S REMUNERATION

Only one director was paid by the Company and their emoluments were as follows (other directors were employed and compensated by other Group companies).

	2003 £	2002 £
Emoluments, (excluding pension contributions)	192,060	138,940
Benefits	9,081	6,976
	201,141	145,916

	2003 Number	2002 Number
Directors eligible for defined benefit pension scheme	1	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year	2003 £	2002 £
Current tax:		
UK corporation tax on profits of 30% (2002: 30%)	175,891	127,461
Double tax relief	(11,379)	(12,518)
	164,512	114,943
Foreign tax on profits for the year	11,379	12,518
Adjustments in respect of prior periods	29,489	-
	40,868	12,518
Total current tax (note 9(b))	205,380	127,461

(b) Factors affecting tax charge for the year

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Profit on ordinary activities before tax	582,243	420,153
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	174,673	126,046
Effects of:		
Expenses not deductible for tax purposes	1,218	1,415
Adjustments to tax charge in respect of prior periods	29,489	-
Current tax charge for the year (note 9(a))	205,380	127,461

10. DEBTORS

	2003 £	2002 £
Due within one year:		
Trade debtors	322,150	202,081
Amounts owed by Group undertakings	1,885,563	1,552,427
	2,207,713	1,754,508

11. CREDITORS : amounts falling due within one year

	2003 £	2002 £
Amounts owed to Group undertakings	448,180	248,910
Corporate tax	181,352	114,812
Accruals and deferred income	78,960	210,568
Other creditors	4,541	10,891
	713,033	585,181

12. CALLED UP SHARE CAPITAL

	2003 £	2002 £
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

13. PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
1 January 2003	371,413	78,721
Retained profit	376,863	292,692
31 December 2003	748,276	371,413

14. PENSIONS

The staff employed by the Company are members of the Willis Pension Scheme in the United Kingdom ("the Scheme"), which is funded externally and is of the defined benefit type. The pension cost is assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method.

The Group continues to follow SSAP 24 in accounting for pension costs. However, the most recent actuarial valuation of the Scheme was at 31 December 2001. The most recent actuarial valuation has been reviewed and updated as at 31 December 2003 to take account of the requirements of FRS17 "Retirement Benefits", in order to assess the liabilities of the Scheme at 31 December 2003.

The directors consider that the share of the Scheme's underlying assets and liabilities attributable to the Company's employees cannot be separately identified. The net pension liability, after related deferred tax at 30%, is $97.2 million (£54.3 million) at 31 December 2003 compared with a net pension scheme liability of $115.4 million (£71.7 million) at 31 December 2002. Company contribution rates increased from 11.5% to 14.1 % of pensionable earnings with effect from 1 January 2004. Full disclosures for the Scheme under FRS17 are included in the accounts of TAI Limited.

15. RELATED PARTY TRANSACTIONS

Financial Reporting Standard 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.