TRINITY PROCESSING SERVICES LIMITED

(Registered Number 1404518)

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

Directors

SE Wood
Willis Corporate Director Services Limited (appointed 8 September 2010)
MG Parker (appointed 31 March 2011)

Secretary

Willis Corporate Secretarial Services Limited (appointed 8 September 2010)

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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

Principal activities and review of developments

The Company is a subsidiary of Willis Group Holdings plc ('the Group') The Group is one of the world's leading professional service providers of risk management solutions, risk transfer expertise through insurance and reinsurance broking, and related specialised consultancy services The principal business of the Company is to provide and/or to procure, for the Group, 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

There have been no significant changes in the Company's principal activities in 2010 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

Results

The profit on ordinary activities after taxation amounted to £67,000 (2009 profit of £36,000) As shown in the profit and loss account on page 7, the Company reported an operating profit of £81,000 for the year (2009 operating profit of £51,000) The increase occurred through an elevation in management fees chargeable to fellow Group companies, as shown in note 2 to the financial statements on page 11, as it is within these fees that a mark-up is charged The increase in management fees occurred predominantly as a result of foreign exchange costs rechargeable resulting from a higher valuation of sterling relative to the US dollar this year

Dividends

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

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year end

The decrease in intercompany debtors and creditors is the result of timing in settlement of both debtor and creditor invoices, as reflected in notes 7 and 8 to the financial statements on page 14

The Group manages its operations on a divisional basis For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Group, which includes the Company, is discussed in the Group's financial statements which do not form part of this report

Principal risks and uncertainties

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

This Company is also exposed to additional risks by virtue of being part of the wider Group These risks have been discussed in the Group's financial statements which do not form part of this report

Environment

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 12 of the financial statements

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

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

Directors

The current Directors of the Company are shown on page 1, which forms part of this report Willis Corporate Director Services Limited and MG Parker were appointed as Directors of the Company on 8 September 2010 and 31 March 2011 respectively IC Gale retired from the Willis Group and resigned as a Director of the Company on 31 March 2011 There were no other changes in Directors during the year or after the year end

Statement of Directors' responsibilities in relation to the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that

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

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

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

Auditors

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

By Order of the Board

SE Wood
Director
51 Lime Street
London EC3M 7DQ
19 September 2011

INDEPENDENT AUDITOR'S 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 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 12 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINITY PROCESSING SERVICES LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark McIlquham (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom
19 September 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
Turnover	2	**10,323**	8,854
Operating expenses		**(10,164)**	(9,073)
Operating (expenses)/income – foreign exchange (loss)/gain		**(78)**	270
Operating profit and profit on ordinary activities before taxation	3	**81**	51
Tax charge on profit on ordinary activities	6	**(14)**	(15)
Profit on ordinary activities after taxation		**67**	36

All activities derive from continuing operations

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

BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £000	2009 £000
Current assets			
Debtors			
Amounts falling due within one year	7	3,947	5,329
Amounts falling due after one year	7	27	-
		3,974	5,329
Deposits and cash		1	2
		3,975	5,331
Current liabilities			
Creditors amounts falling due within one year	8	(1,407)	(2,830)
Net assets		2,568	2,501
Capital and reserves			
Called up share capital	9	800	800
Profit and loss account	10	1,768	1,701
Shareholders' funds		2,568	2,501

The financial statements of Trinity Processing Services Limited, registered company number 1404518, were approved by the Board of Directors and authorised for issue on 19 September 2011 and signed on its behalf by

SE Wood
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010

Movement in shareholders' funds	**2010 £000**	2009 £000
Profit on ordinary activities after taxation	**67**	36
Net movement in shareholders' funds for the year	**67**	36
Shareholders' funds at beginning of year	**2,501**	2,465
Shareholders' funds at end of year	**2,568**	2,501

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding year

The financial statements have been prepared

- under the historical cost convention, and
- in accordance with applicable law and accounting standards in the United Kingdom

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future For this reason, they continue to adopt the going concern basis in preparing the accounts

Parent undertaking and controlling party

The Company's

- immediate parent company and controlling undertaking is Willis Faber Limited, and
- ultimate parent company is Willis Group Holdings plc, a company incorporated in Ireland

The largest and smallest group in which the results of the Company are consolidated is Willis Group Holdings plc, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ

Revenue recognition

Turnover, which arises solely in the UK, comprises fees receivable in respect of management services and recharges of expenses to other Group undertakings, which are recognised as earned

Foreign currency translation

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

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

Pension costs

Certain employees participate in Willis Group Holdings plc's UK defined benefit pension scheme This scheme was closed to new entrants in January 2006 New entrants are now offered the opportunity to join a defined contribution scheme The staff working for the Company are employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings plc ('the Group')

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

1. Accounting policies (continued)

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 UK defined benefit scheme is funded, with the assets of the scheme held separately from those of the Company, in separate trustee-administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities The actuarial valuations are obtained at least triennially and are updated at each balance sheet date The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of Willis Limited's balance sheet

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 and are charged to the profit and loss account as part of the employee costs in the period in which they fall due The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method The pension contribution rates are based on pension costs across the Group's UK companies as a whole

Taxation

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

Cash flow statement

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

2. Turnover

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

	2010 £000	2009 £000
Management charge	1,162	511
Expenses recharged to other group companies	9,161	8,343
	10,323	8,854

3. Operating profit

The foreign exchange loss of £78,000 (2009 £270,000 gain) shown in the profit and loss account is mainly attributable to the fluctuation in the value of the pound to the US dollar and the euro during the year in relation to intercompany assets and liabilities

Auditors' remuneration of £5,000 (2009 £5,000) was borne by another Group company

4. Employee costs	2010 £000	2009 £000
Salaries	**217**	283
Social security costs	**4**	3
Other pension costs	**38**	38
	259	324

Cash retention awards

Willis Group Holdings plc (the 'Group') makes annual cash retention awards to its employees Employees must repay a proportionate amount of these awards if they voluntarily leave the Group's employ (other than in the event of retirement or permanent disability) before a certain time period, currently up to three years The Group makes cash payments to its employees in the year it grants these retention awards and recognises these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made The unamortised portion of cash retention awards is recorded within prepayments and accrued income

The following table sets out the amount of cash retention awards made and the related amortisation of those awards for the years ended 31 December 2010 and 2009

	2010 £000	2009 £000
Cash retention awards made	**80**	80
Amortisation of cash retention awards included in salaries	**53**	27

At 31 December 2010 unamortised cash retention awards totalled £80,000 (2009 £53,000)

Number of employees – average for the period	2010 Number	2009 Number
Producer	**1**	1

The staff working for the Company are employed by other subsidiary undertakings of Willis Group Holdings plc 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

5. Directors' remuneration

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

6. Tax on profit on ordinary activities	2010 £000	2009 £000
(a) Analysis of charge for the year		
Current tax·		
UK corporation tax on profit at 28% (2009 28%)	24	14
Double tax relief	(24)	(14)
	-	-
Adjustments in respect of prior periods	(42)	(39)
	(42)	(39)
Foreign tax	56	54
Total current tax (note 6(b))	14	15

(b) Factors affecting current tax for the year

The tax assessed for the year is lower (2009 higher) than the standard rate of corporation tax in the UK (28%) (2009 28%) The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before taxation	81	51
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	23	14
Effects of		
Amounts not deductible for tax purposes	1	2
Foreign taxes	32	43
Adjustments to tax charge in respect of prior years	(42)	(39)
Other including effect of exchange rates	-	(5)
Total current tax charge for the year (note 6(a))	14	15

(c) Circumstances affecting current and future tax charges

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

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

7. Debtors	2010 £000	2009 £000
Amounts falling due within one year:		
Amounts owed by Group undertaking	**3,890**	5,275
Prepayments and accrued income	**53**	53
VAT	**4**	1
	3,947	5,329
Amounts falling due after more than one year.		
Prepayments and accrued income	**27**	-

8. Creditors: amounts falling due within one year	2010 £000	2009 £000
Amounts owed to Group undertaking	**1,230**	2,663
Withholding tax accrual	**29**	29
Accruals and deferred income	**148**	138
	1,407	2,830

9. Called up share capital	2010 Number (thousand)	2009 Number (thousand)
Authorised share capital		
Ordinary shares of £1 each	**1,000**	1,000
	1,000	1,000
	2010 £000	2009 £000
Allotted, called up and fully paid		
800,000 (2009 800,000) ordinary shares of £1 each	**800**	800
	800	800

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

10. Reserves and shareholders' funds	Share capital £000	Profit and loss account £000	Total £000
1 January 2010	800	1,701	2,501
Profit on ordinary activities after taxation	-	67	67
31 December 2010	800	1,768	2,568

11. Pensions

Defined Benefit Scheme

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

The most recent actuarial valuation of the Scheme was at 31 December 2007 The most recent actuarial valuation has been reviewed and updated as at 31 December 2010 to take account of the requirements of FRS17 'Retirement Benefits', in order to assess the liabilities of the Scheme at 31 December 2010

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 $156 million (£100 million) at 31 December 2010 compared with an overall surplus after tax of $72 million (£45 million) at 31 December 2009 Company funded contributions were made at the rate of 14 9% of pensionable earnings in 2010 compared with 14 8% in 2009 In addition, the Scheme contributions were 8% in both 2010 and 2009 for all employed members

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

The Scheme was closed to new members from 1 January 2006

12. Related party transactions

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