TRINITY PROCESSING SERVICES LIMITED

(Registered Number 1404518)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Directors

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

Secretary

Willis Corporate Secretarial Services Limited

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2011

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 2011 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 £32,000 (2010 £67,000) As shown in the profit and loss account on page 6, the Company reported an operating profit of £84,000 (2010 £81,000) The increase in operating profit was primarily attributable to an increase 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 as a result of the recharge of a one-off £220,000 operational review cost incurred during the year This was predominately offset by a reduction in expenses rechargeable in respect of a £96,000 decrease in charges allocated by fellow Group companies for shared services and a £99,000 movement in foreign exchange to a £21,000 gain (2010 £78,000 loss) resulting from a higher valuation of sterling relative to the US dollar this year

Going concern

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 financial statements Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements on page 9

Dividends

No interim dividend was paid in the year (2010 £nil) The Directors do not recommend the payment of a final dividend (2010 £nil)

Balance sheet

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end

The increase in intercompany debtors and creditors is the result of timing in the settlement of both debtor and creditor invoices, as reflected in notes 7 and 8 to the financial statements on pages 13 and 14 respectively

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

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, including those relating to the current Eurozone situation 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 on a location by location basis, 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 11

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 staff briefings and regular meetings, complemented by employee publications and video presentations Feedback is continually sought from staff on a variety of business, management and human resources issues These communication tools provide employees with the opportunity to contribute to the everyday running of the business and to support the achievement of 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 MG Parker was appointed as Director of the Company on 31 March 2011 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

Statement of Directors' responsibilities in relation to the financial statements (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

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

2 August 2012

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 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 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

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
2 August 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
Turnover	2	**11,127**	10,323
Operating expenses		**(11,064)**	(10,164)
Operating income/(expenses) – foreign exchange gain/(loss)		**21**	(78)
Operating profit and profit on ordinary activities before taxation	3	**84**	81
Tax charge on profit on ordinary activities	6	**(52)**	(14)
Profit on ordinary activities after taxation		**32**	67

All activities derive from continuing operations

There are no recognised gains or losses in either 2011 or 2010 other than the profit for those years

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 £000	2010 £000
Current assets			
Debtors			
Amounts falling due within one year	7	4,636	3,947
Amounts falling due after one year	7	48	27
		4,684	3,974
Deposits and cash		2	1
		4,686	3,975
Current liabilities			
Creditors amounts falling due within one year	8	(2,086)	(1,407)
Net assets		2,600	2,568
Capital and reserves			
Called up share capital	9	800	800
Profit and loss account	10	1,800	1,768
Shareholders' funds		2,600	2,568

The financial statements of Trinity Processing Services Limited, registered company number 1404518, were approved by the Board of Directors and authorised for issue on 2 August 2012 and signed on its behalf by

SE Wood
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2011

Movement in shareholders' funds	2011 £000	2010 £000
Profit on ordinary activities after taxation	**32**	67
Net movement in shareholders' funds for the year	**32**	67
Shareholders' funds at beginning of year	**2,568**	2,501
Shareholders' funds at end of year	**2,600**	2,568

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future The expectation is based on the following reasons

- the Company has net current assets of £2 60 million (2010 £2 57 million), and
- the Directors believe the Willis Group is a going concern

For these reasons, the Directors 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

1. Accounting policies (continued)

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')

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 the balance sheet of Willis Limited, a subsidiary undertaking of the Group

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

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 profit and loss account 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

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

	2011 £000	2010 £000
Management charge	**928**	892
Expenses recharged to other Group companies	**10,199**	9,431
	11,127	10,323

The method by which turnover is appropriated between different caption headings was refined in 2011, resulting in the comparative figures being reallocated

3. Operating profit and profit on ordinary activities before taxation

The foreign exchange gain of £21,000 (2010 £78,000 loss) 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 Indian rupee during the year in relation to intercompany assets and liabilities

Auditors' remuneration of £5,000 (2010 £5,000) was borne by another Group company

4. Employee costs	2011 £000	2010 £000
Salaries	**235**	217
Social security costs	**21**	4
Other pension costs	**24**	38
	280	259

Number of employees – average for the period	2011 Number	2010 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

4 Employee costs (continued)

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 2011 and 2010

	2011 £000	2010 £000
Cash retention awards made	**143**	80
Amortisation of cash retention awards included in salaries	**101**	53

At 31 December 2011 unamortised cash retention awards totalled £122,000 (2010 £80,000)

5. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2010 £nil)

6. Tax on profit on ordinary activities	2011 £000	2010 £000
(a) Analysis of charge for the year		
Current tax:		
UK corporation tax on profit at 26 5% (2010 28%)	**13**	24
Double tax relief	**(13)**	(24)
	-	-
Adjustments in respect of prior periods	**7**	(42)
	7	(42)
Foreign tax	**45**	56
Total current tax (note 6(b))	**52**	14

6. Tax on profit on ordinary activities (continued)	2011 £000	2010 £000
The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK (26 5%) (2010 28%) The differences are explained below		
Profit on ordinary activities before taxation	**84**	81
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26 5% (2010 28%)	**22**	23
Effects of		
Amounts not deductible for tax purposes	**1**	1
Foreign taxes	**22**	32
Adjustments to tax charge in respect of prior years	**7**	(42)
Total current tax charge for the year (note 6(a))	**52**	14

(c) Circumstances affecting current and future tax charges

The Government announced on 23 March 2011 that it intended to reduce the rate of UK corporation tax from 28% to 23% over four years Consequently the Finance Act 2011, which was substantively enacted on 19 July 2011, included provisions to reduce the rate of UK corporation tax to 26% with effect from 1 April 2011 and to 25% with effect from 1 April 2012

On 21 March 2012, the Government proposed further legislation to reduce the rate of UK corporation tax to 24% with effect from 1 April 2012, 23% from 1 April 2013 and 22% from 1 April 2014 As these changes were not substantively enacted at the balance sheet date, their impact is not reflected in the tax provisions reported in these accounts

7. Debtors	2011 £000	2010 £000
Amounts falling due within one year:		
Amounts owed by Group undertaking	**4,554**	3,890
Prepayments and accrued income	**74**	53
VAT	**8**	4
	4,636	3,947
Amounts falling due after more than one year:		
Prepayments and accrued income	**48**	27
	4,684	3,974

8. Creditors: amounts falling due within one year	2011 £000	2010 £000
Amounts owed to Group undertaking	2,037	1,230
Withholding tax accrual	24	29
Accruals and deferred income	25	148
	2,086	1,407

9. Called up share capital	2011 £000	2010 £000
Allotted, called up and fully paid		
800,000 (2010 800,000) ordinary shares of £1 each	800	800

10. Reserves and shareholders' funds	Share capital £000	Profit and loss account £000	Total £000
1 January 2011	800	1,768	2,568
Profit on ordinary activities after taxation	-	32	32
31 December 2011	800	1,800	2,600

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 2010 The most recent actuarial valuation has been reviewed and updated as at 31 December 2011 to take account of the requirements of FRS17 'Retirement Benefits', in order to assess the liabilities of the Scheme at 31 December 2011

11. Pensions (continued)

Defined Benefit Scheme (continued)

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 $130 million (£84 million) at 31 December 2011 compared with an overall surplus after tax of $156 million (£100 million) at 31 December 2010 Company funded contributions were made at the rate of 14 8% of pensionable earnings in 2011 compared with 14 9% in 2010 In addition, the Scheme contributions were 8% in 2010 and up to 1 July 2011, and 10% thereafter 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

Defined Contribution Scheme

The Company operated a defined contribution scheme for new entrants from 1 January 2006 for which the pension cost charge for the year amounted to £15,000 (2010 £nil)

12. Related party transactions

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