

**TRINITY PROCESSING SERVICES LIMITED**  
(Registered Number 1404518)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**Directors**

IC Gale (appointed 1 April 2007)  
Willis Corporate Director Services Limited (appointed 31 October 2007)

**Secretary**

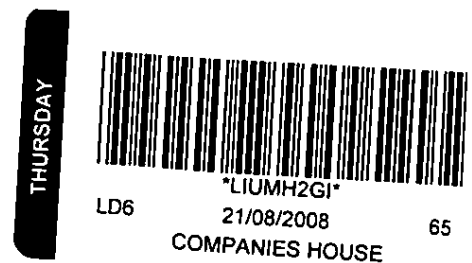
SK Bryant

**Registered Office**

51 Lime Street  
London EC3M 7DQ

**Auditors**

Deloitte & Touche LLP  
London



**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2007

**Principal activities 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 Company is a subsidiary of Willis Group Holdings Limited (the Group), which 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 profit on ordinary activities after taxation was £nil (2006 profit of £340k)

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

No interim dividend was paid during the year (2006 £nil). The Directors do not recommend the payment of a final dividend (2006 £nil).

**Enhanced Business Review**

The Directors' Report is not required to include an enhanced business review. Advantage has been taken of the provisions of s246 of the Companies Act 1985 (as amended).

**Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. IC Gale and Willis Corporate Director Services Limited were appointed as Directors of the Company with effect from 1 April 2007 and 31 October 2007 respectively. SD Smith and J Scampas resigned on 22 June 2007 and 6 November 2007 respectively as Directors of the Company. 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 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.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)**

**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

**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

By order of the Board



SK Bryant  
Secretary

18 August 2008

51 Lime Street  
London EC3M 7DQ

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

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We have audited the financial statements of Trinity Processing Services Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 13. 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 judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY PROCESSING SERVICES LIMITED (continued) 5**

**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 2007 and of its result 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*

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

*20 August 2008*

**TRINITY PROCESSING SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £000	2006 £000
Turnover	2	5,500	4,617
Operating expenses		(5,375)	(4,179)
<b>Operating profit</b>	3	125	438
Finance (charges)/income, net	6	(61)	29
<b>Profit on ordinary activities before taxation</b>		64	467
Tax charge on profit on ordinary activities	7	(64)	(127)
<b>Profit on ordinary activities after taxation</b>		-	340

All activities derive from continuing operations

**RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007**

There are no recognised gains or losses in either 2007 or 2006 other than the profit for those years

**TRINITY PROCESSING SERVICES LIMITED**

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**BALANCE SHEET AS AT 31 DECEMBER 2007**

	Note	2007 £000	2006 £000
<b>Current assets</b>			
Debtors amounts falling due within one year	8	2,574	2,803
Deposits and cash		504	45
		<b>3,078</b>	<b>2,848</b>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	9	(668)	(438)
<b>Net assets</b>		<b>2,410</b>	<b>2,410</b>
<b>Capital and reserves</b>			
Called up share capital	10	800	800
Profit and loss account	11	1,610	1,610
<b>Equity shareholders' funds</b>		<b>2,410</b>	<b>2,410</b>

The financial statements were approved by the Board of Directors and authorised for issue on *18 August* 2008 and signed on its behalf by



Authorised Signatory of  
Willis Corporate Director Services Limited,  
Director

## MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2007

<b>Movement in shareholders' funds</b>	<b>2007 £000</b>	<b>2006 £000</b>
Profit on ordinary activities after taxation	-	340
Net movement in shareholders' funds for the year	-	340
Shareholders' funds at beginning of year	2,410	2,070
<b>Shareholders' funds at end of year</b>	<b>2,410</b>	<b>2,410</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007****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

**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 Limited, a company incorporated in Bermuda

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

**Revenue recognition**

Fees are accounted for on an accruals basis. Interest receivable and interest payable are accounted for on an accruals basis.

**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**

The Company participates in Willis Group Holdings Limited'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 Limited (the Group).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

**1 Accounting policies (continued)****Pension costs (continued)***Defined benefit scheme*

A defined benefit pension 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 assets 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. 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 a consolidated cash flow statement is prepared at Group level.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

**2 Turnover**

The table below analyses the Company's fees 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.

Fees	2007 £000	2006 £000
United Kingdom	5,500	4,284
North America	-	333
	5,500	4,617

**3. Operating profit**

Operating profit is stated after crediting VAT

2007 £000	2006 £000
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294	-
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During 2007 the Company received VAT refunds from HM Revenue and Customs totalling £251,000. The Company had written this amount off as irrecoverable VAT in 2005. In addition, the Company released a VAT provision that was no longer required.

Auditors' remuneration of £2,700 (2006: £5,000) was borne by another Group company.

**4. Employee costs**

Salaries	206	-
Social security costs	32	-
Other pension costs	28	-
	266	-

2007 £000	2006 £000
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266	-
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Number of employees – average for the period	2007 Number	2006 Number
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1	-
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Producer	1	-
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	1	-
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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. For 2006 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.

**5. Directors' remuneration**

The Directors of the Company received no remuneration for services rendered to the Company during the year (2006: £nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

	2007 £000	2006 £000
<b>6 Finance (charges)/income, net</b>		
<i>Interest and investment income</i>		
Interest receivable on cash at bank	2	7
Other interest receivable	38	22
	<u>40</u>	<u>29</u>
<i>Interest payable and similar charges</i>		
Other interest payable	(101)	-
	<u>(61)</u>	<u>29</u>
Finance (charges)/income, net	<u>(61)</u>	<u>29</u>

	2007 £000	2006 £000
<b>7. Tax charge on profit on ordinary activities</b>		
<i>(a) Analysis of charge for the year</i>		
Current tax		
UK corporation tax on profit at 30% (2006 30%)	20	140
Double tax relief	(20)	(21)
	<u>-</u>	<u>119</u>
Foreign tax on profits for the year	51	21
Adjustments in respect of prior periods	13	(13)
Current tax charge on profit on ordinary activities (note 7(b))	<u>64</u>	<u>127</u>
<i>(b) Factors affecting tax charge for the year</i>		
The tax assessed for the year is higher than (2006 lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below		
Profit on ordinary activities before tax	64	467
	<u>64</u>	<u>467</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	19	140
Effects of		
Expenses not deductible for tax purposes	1	-
Adjustments to tax charge in respect of prior years	13	(13)
Foreign tax charge net of double tax relief	31	-
	<u>64</u>	<u>127</u>
Current tax charge for the year (note 7(a))	<u>64</u>	<u>127</u>

*(c) Circumstances affecting current and future tax charges*

Following the Finance Act 2007, the UK corporation tax rate changed from 30% to 28% on 1 April 2008

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

8. Debtors	2007 £000	2006 £000
<i>Amounts falling due within one year</i>		
Amounts owed by Group undertakings	2,570	2,803
Other debtors	4	-
	2,574	2,803

9 Creditors: amounts falling due within one year	2007 £000	2006 £000
Amounts owed to Group undertakings	569	304
Corporation tax	-	49
Other creditors	-	85
Accruals and deferred income	99	-
	668	438

10. Called up share capital	2007 Number (thousand)	2006 Number (thousand)
<b>Authorised share capital</b>		
Ordinary shares of £1 each	1,000	1,000
	2007 £000	2006 £000
<b>Allotted, issued and fully paid</b>		
800,000 (2006 800,000) ordinary shares of £1 each	800	800

11. Reserves and shareholders' capital	Share capital £000	Profit and loss account £000	Total £000
1 January 2007 and 31 December 2007	800	1,610	2,410

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

**12. 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 2007 to take account of the requirements of FRS17 "Retirement Benefits", in order to assess the liabilities of the Scheme at 31 December 2007.

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 \$324.1 million (£163.7 million) at 31 December 2007 compared with an overall surplus after tax of \$147.8 million (£75.4 million) at 31 December 2006. Company contribution rates decreased from 14.6% to 14.4% of pensionable earnings with effect from 1 January 2007. In addition, the Scheme contributions increased to the rate of 6% in 2007 and to the rate of 8% in 2008 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 members from 1 January 2006.

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**13. Related party transactions**

FRS8 (paragraph 3(c)) exempts the reporting of transactions between Group companies in the financial statements 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.

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