

TRINITY PROCESSING SERVICES LIMITED

(Registered No. 1404518)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

DIRECTORS

J Scampas - Chairman (appointed 1 November 2004)
LJH Brock
GM Aguilar-Millan

SECRETARY

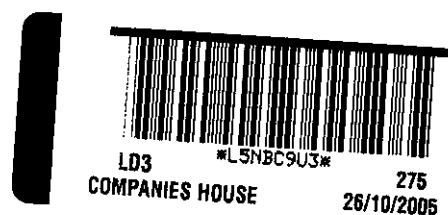
SK Bryant

REGISTERED OFFICE

Ten Trinity Square
London EC3P 3AX

AUDITORS

Deloitte & Touche LLP
London



DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2004

The directors present their report, together with the financial statements, for the year ended 31 December 2004.

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 £544,594 (2003: £376,863).

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 (2003 : £nil). The directors do not recommend the payment of a final dividend (2003: £nil).

DIRECTORS AND THEIR INTERESTS

The present directors of the Company are named on page 1 which forms part of this report. AB Hedgecock resigned as a director of the Company with effect from 31 October 2004.

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 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).

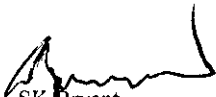
They are also responsible for the system of internal control, for safeguarding the assets of the Company and have taken reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2004 (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

21 October 2005
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 2004 which comprise the profit and loss account, the balance sheet, the movement in shareholders' funds and the related notes 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 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.

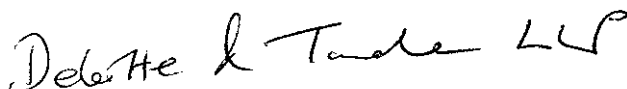
Basis of audit opinion

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

24 October2005

TRINITY PROCESSING SERVICES LIMITED

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
TURNOVER	3	5,512,494	4,798,368
Operating expenses		4,743,745	4,219,562
OPERATING PROFIT	4	768,749	578,806
Interest and investment income	5	10,400	3,522
Interest payable	6	27	85
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		779,122	582,243
Tax on profit on ordinary activities	9	234,528	205,380
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		544,594	376,863
RETAINED PROFIT FOR THE FINANCIAL YEAR	13	544,594	376,863

All activities derive from continuing operations.

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £544,594 in the year ended 31 December 2004 and of £376,863 in the year ended 31 December 2003.

TRINITY PROCESSING SERVICES LIMITED

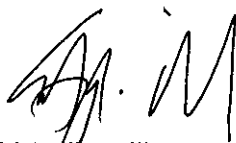
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BALANCE SHEET AS AT 31 DECEMBER 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors	10	2,578,361	2,207,713
Deposits and cash		170,896	53,596
		<u>2,749,257</u>	<u>2,261,309</u>
CURRENT LIABILITIES			
CREDITORS : amounts falling due within one year	11	656,387	713,033
NET CURRENT ASSETS		<u>2,092,870</u>	<u>1,548,276</u>
CAPITAL AND RESERVES			
Called up share capital	12	800,000	800,000
Profit and loss account	13	1,292,870	748,276
EQUITY SHAREHOLDERS' FUNDS		<u>2,092,870</u>	<u>1,548,276</u>

These financial statements were approved by the Board of directors on 21 October 2005.

Signed on behalf of the Board of directors:



GM Aguiar-Millan
Director

TRINITY PROCESSING SERVICES LIMITED

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MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
Profit for the financial year	544,594	376,863
Net movement in shareholders' funds for the year	544,594	376,863
Shareholders' funds at 1 January	1,548,276	1,171,413
Shareholders' funds at 31 December	2,092,870	1,548,276

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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.

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

	2004	2003
	£	£
United Kingdom	4,932,462	4,365,890
North America	580,032	432,478
	<hr/> 5,512,494	<hr/> 4,798,368

4. OPERATING PROFIT

Audit fees were borne by another Group company in the year ending 31 December 2004 and for the year ending 31 December 2003.

5. INTEREST AND INVESTMENT INCOME

	2004	2003
	£	£
Interest receivable	10,400	3,522
	<hr/> 10,400	<hr/> 3,522

6. INTEREST PAYABLE

	2004	2003
	£	£
Overdrafts	27	85
	<hr/> 27	<hr/> 85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

7.	EMPLOYEES	2004	2003
		£	£
	Employee costs:		
	Salaries	225,772	102,160
	Social security costs	27,905	25,081
	Other pension costs	4,661	2,439
		258,338	129,680
	Amounts reimbursed by fellow subsidiary undertakings	(143,038)	(95,016)
		115,300	34,664
		2004	2003
		Number	Number
	Number of employees - average for the year	1	3

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).

	2004	2003
	£	£
Emoluments, (excluding pension contributions)	315,610	192,060
Benefits	7,009	9,081
	322,619	201,141
	2004	2003
	£	£
Directors eligible for defined benefit pension scheme	1	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

9.	TAX ON PROFIT ON ORDINARY ACTIVITIES		
		2004	2003
		£	£
(a)	Analysis of charge in the year		
	Current tax:		
	UK corporation tax on profits of 30% (2003: 30%)	234,528	175,891
	Double tax relief	(24,331)	(11,379)
		<hr/> 210,197	<hr/> 164,512
	Foreign tax on profits for the year	24,331	11,379
	Adjustments in respect of prior periods	-	29,489
		<hr/> 24,331	<hr/> 40,868
	Total current tax (note 9(b))	<hr/> 234,528	<hr/> 205,380
(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	779,122	582,243
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	233,737	174,673
	Effects of:		
	Expenses not deductible for tax purposes	791	1,218
	Adjustments to tax charge in respect of prior periods	-	29,489
	Current tax charge for the year (note 9(a))	<hr/> 234,528	<hr/> 205,380
10.	DEBTORS	2004	2003
		£	£
	Due within one year:		
	Trade debtors	173,293	322,150
	Amounts owed by Group undertakings	2,405,068	1,885,563
		<hr/> 2,578,361	<hr/> 2,207,713
11.	CREDITORS : amounts falling due within one year	2004	2003
		£	£
	Amounts owed to Group undertakings	385,218	448,180
	Corporate tax	265,254	181,352
	Accruals and deferred income	-	78,960
	Other creditors	5,915	4,541
		<hr/> 656,387	<hr/> 713,033
12.	CALLED UP SHARE CAPITAL	2004	2003
		£	£
	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
		<hr/> 800,000	<hr/> 800,000
13.	PROFIT AND LOSS ACCOUNT	2004	2003
		£	£
	1 January	748,276	371,413
	Retained profit	544,594	376,863
		<hr/> 1,292,870	<hr/> 748,276
	31 December		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)**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 continued to use SSAP 24 to account for pension costs in 2004.

The most recent actuarial valuation of the Scheme was at 31 December 2001 which has been reviewed and updated as at 31 December 2004 to take account of the requirements of FRS17 "Retirement Benefits", in order to assess the liabilities of the Scheme at 31 December 2004.

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 FRS 17 pension liability, after related deferred tax at 30%, was \$157.0 million (£81.8 million) at 31 December 2004 compared with a net pension scheme liability of \$97.2 million (£54.3 million) at 31 December 2003. Company contribution rates increased from 14.1% to 15.0 % of pensionable earnings with effect from 1 January 2005. Full disclosures for the Scheme under FRS17 are included in the accounts of TAI Limited.

15. CONTINGENT LIABILITY

In 2005 HMRC has raised assessments for VAT on the Company which relate to revenue earned before the year end. Whilst the Company has paid the assessments it has also asked HMRC to reconsider them. The first assessment relates to revenue charged to third parties and amounts to a total of £532,720. The Company has obtained independent professional advice in respect of accounting for VAT on its operations. The directors of the Company are of the opinion that the Company has accounted for VAT correctly and if not the directors expect that the Company is able to recover the VAT incurred from the third parties. The second assessment which currently amounts to £112,582 relates to revenue earned from a fellow subsidiary outside of the United Kingdom. HMRC have passed the case to their policy division for a definitive opinion. The directors of the Company are of the opinion that the appeal against this assessment is likely to succeed. Accordingly, no provision has been made in the financial statements of the Company.

16. 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.