TRINITY PROCESSING SERVICES LIMITED

(Registered No. 1404518)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2002

DIRECTORS

AB Hedgecock -Chairman
LJH Brock
GM Aguilar-Millan (appointed 1 March 2002)

SECRETARY

TM Warren

REGISTERED OFFICE

Ten Trinity Square
London EC3P 3AX

AUDITORS

Deloitte & Touche LLP
London

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2002

The directors present their report, together with the accounts, for the year ended 31 December 2002.

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 £292,692 (2001: £78,821).

FUTURE DEVELOPMENTS

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

DIVIDENDS

The directors do not recommend the payment of a final dividend (2001: £nil).

DIRECTORS AND THEIR INTERESTS

The present directors of the Company are named on page 1 which forms part of this report. PL Symes resigned as a director of the Company with effect from 1 March 2002.

The directors who held office on 31 December 2002 and whose interests are not reported in the accounts of a parent company had the following interests in the common shares of Willis Group Holdings Limited, the ultimate parent company, as recorded in the register kept for the purpose.

Director	Common shares of $0.000115 each		Options over common shares of $0.000115 each			
	1.1.2002 or date of appointment	31.12.2002	1.1.2002 or date of appointment	Granted	Exercised	31.12.2002
AB Hedgecock	104,000	104,000	180,393	197	-	180,590
LJH Brock	1,026	1,026	2,050	-	-	2,050
G Aguilar-Millan	13,350	13,350	31,643	-	-	31,643

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

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 accounts 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 accounts on pages 5 to 10 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 accounts 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 accounts 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 2002 (continued)

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

By Order of the Board

TM Warren
Secretary

8 October 2003
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 2002 which comprise the profit and loss account, the balance sheet, 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 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

21 October 2003

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Turnover	3	4,590,217	3,691,044
OPERATING REVENUE		4,590,217	3,691,044
Operating expenses		4,170,064	3,576,144
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	420,153	114,900
Tax on profit on ordinary activities	7	127,461	36,079
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		292,692	78,821
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	292,692	78,821

All activities derive from continuing operations.

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2002

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £292,692 in the year ended 31 December 2002 and of £78,821 in the year ended 31 December 2001.

BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors	8	1,754,508	1,240,104
Deposits and cash		2,086	-
		1,756,594	1,240,104
CURRENT LIABILITIES			
CREDITORS : amounts falling due within one year	9	585,181	361,383
NET CURRENT ASSETS		1,171,413	878,721
CAPITAL AND RESERVES			
Called up share capital	10	800,000	800,000
Profit and loss account	11	371,413	78,721
EQUITY SHAREHOLDERS' FUNDS		1,171,413	878,721

These financial statements were approved by the Board of directors on 8 October 2003.

Signed on behalf of the Board of directors:

AB Hedgecock

AB Hedgecock
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Profit for the financial year	292,692	78,821
Net movement in shareholders' funds for the year	292,692	78,821
Shareholders' funds at 1 January	878,721	799,900
Shareholders' funds at 31 December	1,171,413	878,721

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

1. ULTIMATE PARENT COMPANY

The Company is a wholly-owned subsidiary of Willis Faber Limited. The ultimate parent company is Willis Group Holdings Limited, a company incorporated in Bermuda, and the ultimate controlling party is KKR 1996 Overseas, Limited, a company incorporated in the Cayman Islands.

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

2. ACCOUNTING POLICIES

(a) Basis of preparation
These accounts have been prepared on the going concern basis under the historical cost convention and comply with accounting standards applicable in the United Kingdom.

(b) Revenue recognition
Fees are accounted for on a receivable basis.

(c) Currency translation
Transactions in currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account with the exception of exchange differences on dividends paid, which are taken to the Statement of Total Recognised Gains and Losses.

(d) Cashflow statement
Under FRS1 the Company is exempt from the requirement to prepare a cashflow 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.

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. Turnover is attributable to continuing operations. Fees relate to the provision/procuration of services for insurance claims processing, insurance accounting for clients and underwriters, insurance premium processing, insurance proportional treaty accounting and matters connected therewith.

	2002 £	2001 £
United Kingdom	3,435,019	2,672,862
North America	1,155,198	1,018,182
	4,590,217	3,691,044

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees were borne by another Group company in the year ending 31 December 2002 and for the year ending 31 December 2001.

5. EMPLOYEES

	2002 £	2001 £
Employee costs :		
Salaries	429,073	363,068
Social security costs	22,331	30,512
Other pension costs	12,396	7,041
	463,800	400,621
Amounts reimbursed by fellow subsidiary undertakings	(83,453)	(113,140)
	380,347	287,481

	2002 Number	2001 Number
Number of employees - average for the year	5	6

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

5. EMPLOYEES (continued)

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.

6. DIRECTOR 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).

	2002 £	2001 £
Emoluments, (excluding pension contributions)	138,940	99,000
Benefits	6,976	6,976
	145,916	105,976

	2002 Number	2001 Number
Directors eligible for defined benefit pension schemes	1	-

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
(a) Analysis of charge in the year		
Current tax:		
UK corporation tax on profits of 30% (2001: 30%)	127,461	36,079
Double tax relief	(12,518)	(16,971)
	114,943	19,108
Foreign tax on profits for the year	12,518	16,971
Total current tax (note 7(b))	127,461	36,079

	2002 £	2001 £
(b) Factors affecting tax charge for the year		
The tax assessed for the period is higher/lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Profit on ordinary activities before tax	420,153	114,900
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	126,046	34,470
Effects of:		
Expenses not deductible for tax purposes	1,415	1,609
Current tax charge for the year (note 7(a))	127,461	36,079

8. DEBTORS

	2002 £	2001 £
Due within one year:		
Trade debtors	202,081	85,394
Amounts owed by Group undertakings	1,552,427	1,148,652
Other debtors	-	6,058
	1,754,508	1,240,104

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

9. CREDITORS : amounts falling due within one year

	2002	2001
	£	£
Amounts owed to Group undertakings	248,910	284,235
Corporate tax	114,812	36,079
Accruals and deferred income	210,568	41,069
Other creditors	10,891	-
	585,181	361,383

10. CALLED UP SHARE CAPITAL

	2002	2001
	£	£
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

11. PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
1 January	78,721	(100)
Retained profit	292,692	78,821
31 December	371,413	78,721

12. PENSIONS

The staff working for the Company are eligible to be members of the Willis Pension Scheme, which is funded externally and is of the defined benefit type. Pension contributions are based on pension costs across the Group's UK companies as a whole. The pension cost is assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The latest full valuation was at 31 December 2001, details of which are given in the accounts of Willis Group Limited.

Financial Reporting Standard No.17 'Retirement Benefits' ('FRS17') is effective for periods ending on or after 22 June 2003, with certain disclosures required for periods ending on or after 22 June 2001. The directors consider that the share of the Willis Pension Scheme's underlying assets and liabilities attributable to the Company's employees cannot be separately identified. The Willis Pension Scheme showed an overall deficit of £71.7 million based on the most recent valuation as at 31 December 2002. Full disclosures for the Willis Pension Scheme under FRS17 are included in the accounts of Willis Group Limited.

13. 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.