

TRINITY ACQUISITION LIMITED

(Registered Number 3588435)

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

Directors

MP Chitty
PC Regan
GJ Millwater (appointed 1 January 2007)

Secretary

SK Bryant

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte & Touche LLP
London

THURSDAY



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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 Company acts as a holding company and 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

There have been no significant changes in the Company's principal activities in 2007. 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.

The profit on ordinary activities after taxation amounted to \$507 million (2006: \$182 million) as shown in the profit and loss account on page 6. The increase is a result of higher levels of income from shares in the Company's subsidiary undertaking.

An interim dividend of \$450 million was paid on 23 July 2007 (2006: an interim dividend of \$129 million was paid on 15 November 2006). The Directors do not recommend the payment of a final dividend (2006: \$nil).

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

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 Global division 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

Group risks, including those relating to this Company, are 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 3 to the financial statements on page 10.

Directors and their interests

The current Directors of the Company are shown on page 1, which forms part of this report. GJ Millwater was appointed as a Director of the Company with effect from 1 January 2007. There were no other changes in Directors during the year or after the year end.

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

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



S K Bryant
Secretary

10 April 2008

51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY ACQUISITION LIMITED

We have audited the financial statements of Trinity Acquisition 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 17. 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 ACQUISITION LIMITED
(continued)

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 profit 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

10 April 2008

TRINITY ACQUISITION LIMITED**6****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

| | Note | 2007 \$000 | 2006 \$000 |
|--|------|----------------|----------------|
| Operating expenses | | (762) | (5,393) |
| Operating loss | 2 | (762) | (5,393) |
| Finance income, net | 5 | 574,838 | 175,448 |
| Profit on ordinary activities before taxation | | 574,076 | 170,055 |
| Tax (charge) / credit on profit on ordinary activities | 6 | (67,254) | 11,577 |
| Profit on ordinary activities after taxation | | 506,822 | 181,632 |

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 ACQUISITION LIMITED
7
BALANCE SHEET AS AT 31 DECEMBER 2007

| | Note | 2007 \$000 | 2006 \$000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 8 | 23,192 | 23,192 |
| Current assets | | | |
| Debtors | | | |
| Amounts falling due within one year | 10 | 824,380 | 716,007 |
| Amounts falling due after one year | 10 | 860,028 | 860,097 |
| | | 1,684,408 | 1,576,104 |
| Deposits and cash | | 2 | 1 |
| | | 1,684,410 | 1,576,105 |
| Current liabilities | | | |
| Creditors amounts falling due within one year | 12 | (269,120) | (241,949) |
| Net current assets | | 1,415,290 | 1,334,156 |
| Total assets less current liabilities | | 1,438,482 | 1,357,348 |
| Creditors amounts falling due after more than one year | 13 | (603,188) | (578,876) |
| Net assets | | 835,294 | 778,472 |
| Capital and reserves | | | |
| Called up share capital | 14 | 34,389 | 34,389 |
| Share premium | 15 | 671,578 | 671,578 |
| Profit and loss account | 15 | 129,327 | 72,505 |
| Equity shareholders' funds | | 835,294 | 778,472 |

The financial statements were approved by the Board of Directors and authorised for issue on 10 April 2008 and signed on its behalf by



MP Chitty
Director

TRINITY ACQUISITION LIMITED**8****MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2007**

| Movement in shareholders' funds | 2007 \$000 | 2006 \$000 |
|--|-----------------------|-----------------------|
| Profit on ordinary activities after taxation | 506,822 | 181,632 |
| Dividends paid | (450,000) | (129,000) |
| Net movement in shareholders' funds for the year | 56,822 | 52,632 |
| Shareholders' funds at beginning of year | 778,472 | 725,840 |
| Shareholders' funds at end of year | 835,294 | 778,472 |

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 TA III Limited, and
- ultimate parent company is Willis Group Holdings Limited, a company incorporated in Bermuda

In accordance with Section 228A of the Companies Act 1985 (as amended), the Company is exempt from the requirement to produce group financial statements.

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.

Income recognition

The Company recognises income from shares in subsidiary undertakings on a received basis. Interest receivable and interest payable are accounted for on an accruals basis.

Foreign currency translation

These financial statements are presented in US dollars 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.

Fixed asset investments

Investments in subsidiaries are carried at cost less provision for impairment.

Taxation

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more or less tax, at a future date, at rates expected to apply when they reverse based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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

1. Accounting policies (continued)

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

| | 2007 \$000 | 2006 \$000 |
|---|---------------|---------------|
| 2. Operating loss | | |
| Operating loss is stated after charging | | |
| Currency translation adjustments | 750 | 5,391 |

Auditors' remuneration of £2,700 (\$5,400) (2006 £5,000 (\$9,200)) was borne by another Group company

3. Employee costs

The Company employed no staff during the year (2006 none)

4. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2006 \$nil)

| | 2007 \$000 | 2006 \$000 |
|---|-----------------|-----------------|
| 5. Finance income, net | | |
| <i>Interest and investment income</i> | | |
| Interest receivable on cash at bank | - | 8 |
| Interest receivable from Group undertakings | 159,934 | 159,934 |
| Income from shares in subsidiary undertakings | 450,000 | 50,000 |
| | <u>609,934</u> | <u>209,942</u> |
| <i>Interest payable</i> | | |
| Interest payable to Group undertakings | <u>(35,096)</u> | <u>(34,494)</u> |
| Finance income, net | <u>574,838</u> | <u>175,448</u> |

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

| | 2007 \$000 | 2006 \$000 |
|--|---------------|---------------|
| 6. Tax charge / (credit) on profit on ordinary activities | | |
| <i>(a) Analysis of tax charge / (credit) for the year</i> | | |
| Current tax | | |
| UK corporation tax on profit at 30% (2006 30%) | 67,185 | 45,656 |
| Adjustments in respect of prior periods | - | (57,279) |
| Current tax charge / (credit) on profit on ordinary activities (note 6(b)) | 67,185 | (11,623) |
| Deferred tax | | |
| Origination and reversal of timing differences | 69 | 46 |
| Total deferred tax | 69 | 46 |
| Tax charge / (credit) on profit on ordinary activities | 67,254 | (11,577) |
| <i>(b) Factors affecting tax charge / (credit) for the year</i> | | |
| The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below | | |
| Profit on ordinary activities before tax | 574,076 | 170,055 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%) | 172,223 | 51,017 |
| Effects of | | |
| Adjustments to tax charge in respect of prior years | - | (96) |
| Intra-group dividends which are non- taxable | (135,000) | (15,000) |
| Group relief for additional consideration | 30,000 | - |
| Movement in short term timing differences | (69) | (61) |
| Release of tax provision | - | (57,183) |
| Other including effect of exchange rates | 31 | 9,700 |
| Current tax charge / (credit) for the year (note 6(a)) | 67,185 | (11,623) |

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

Following the Finance Act 2007, the UK corporation tax rate changed from 30% to 28% on 1 April 2008
The Company has agreed to pay group relief to its subsidiary undertaking at a rate greater than the tax rate

| | 2007 \$000 | 2006 \$000 |
|--------------------------|---------------|---------------|
| 7. Dividends paid | | |
| First interim paid | 450,000 | 129,000 |

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

| 8. Investments held as fixed assets | Subsidiary undertaking \$000 |
|--|---|
| <i>Cost and net book value</i> | |
| At 1 January 2007 and 31 December 2007 | 23,192 |

Investments held as fixed assets comprise the Company's investment in 100% of the ordinary share capital of TA IV Limited, an intermediate holding company within the Group

9. Shares in subsidiary undertakings

The principal subsidiary undertakings at 31 December 2007 were

| | Country of incorporation | Class of share | Percentage of share capital held |
|------------------------------------|-------------------------------------|------------------------|---|
| <i>Insurance Broking</i> | | | |
| Willis Limited | Great Britain | Ordinary of £1 each | 100% |
| <i>Holding Company</i> | | | |
| TA IV Limited* | Great Britain | Ordinary of £1 each | 100% |
| Willis Group Limited | Great Britain | Ordinary of 12 5p each | 100% |
| Willis North America Inc | USA | Common | 100% |
| Willis Faber Limited | Great Britain | Ordinary of £1 each | 100% |
| Willis International Limited | Great Britain | Ordinary of £1 each | 100% |
| Willis Europe BV | Netherlands | Ordinary of €454 each | 100% |
| <i>Management Services Company</i> | | | |
| Willis Group Services Limited | Great Britain | Ordinary of £1 each | 100% |

* Owned directly by Trinity Acquisition Limited, all other undertakings are indirectly held. All undertakings operate principally in the country of their incorporation.

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 228A of the Companies Act 1985 (as amended) as the Company is a wholly-owned subsidiary of Willis Group Holdings Limited, in whose financial statements it is consolidated. These financial statements relate to the Company only and not to its Group.

In the opinion of the Directors, the value of the shares in the subsidiary undertakings is not less than the amount shown in the balance sheet.

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

| | 2007 \$000 | 2006 \$000 |
|--|------------------|------------------|
| 10 Debtors | | |
| <i>Amounts falling due within one year:</i> | | |
| Amounts owed by Group undertakings | 824,194 | 716,007 |
| Prepayments and accrued income | 186 | - |
| | <u>824,380</u> | <u>716,007</u> |
| <i>Amounts falling due after more than one year:</i> | | |
| Amounts owed by Group undertakings | 859,975 | 859,975 |
| Deferred tax asset (note 11) | 53 | 122 |
| | <u>860,028</u> | <u>860,097</u> |
| | <u>1,684,408</u> | <u>1,576,104</u> |

Included within amounts owed by Group undertakings within one year is a Fixed Rate Convertible Unsecured Loan Stock 2001 of \$824 million on which interest is receivable on 31 March annually, at a rate of 9.5% per annum. The loan stock was issued on 1 January 2001 with a term of 10 years. The Company may require the borrower to convert the loan stock into shares at a rate of one ordinary share to every \$1.4681 nominal amount of stock held by serving a redemption notice not less than two or more than five business days before the interest payment date.

The amount due after more than one year from Group undertakings represents an Interest Bearing Loan Note of \$860 million on which interest is receivable on 31 March annually, at a rate of 10.5% per annum. The loan note was granted on 1 January 2001 with a term of 10 years. The Company may require earlier repayment by giving notice of one year and a day.

| | 2007 \$000 | 2006 \$000 |
|---|---------------|---------------|
| 11 Deferred tax | | |
| <i>Deferred tax has been provided in full in respect of assets arising from the following timing differences:</i> | | |
| Short term timing differences | 53 | 122 |
| At 1 January | 122 | 168 |
| Deferred tax charge in profit and loss account (note 6 (a)) | (69) | (46) |
| At 31 December | <u>53</u> | <u>122</u> |

TRINITY ACQUISITION LIMITED
14
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

| | 2007 \$000 | 2006 \$000 |
|--|----------------|----------------|
| 12 Creditors: amounts falling due within one year | | |
| Amounts owed to Group undertakings | 202,514 | 203,867 |
| Corporation tax | 66,531 | 38,049 |
| Other creditors | 32 | 33 |
| Accruals and deferred income | 43 | - |
| | <u>269,120</u> | <u>241,949</u> |

| | 2007 \$000 | 2006 \$000 |
|--|----------------|----------------|
| 13. Creditors, amounts falling due after more than one year | | |
| Amounts owed to Group undertakings | <u>603,188</u> | <u>578,876</u> |

The amount due after more than one year represents two loans. The first is a loan of \$180 million from Willis North America Inc. on which interest is payable at LIBOR plus a margin of between 1.10% and 1.55% per annum. The loan is repayable in two instalments, \$75 million is repayable on 15 July 2010 and \$105 million is repayable on 15 July 2015. The second is a loan of \$423 million from Willis Group Holdings Limited on which interest is payable at a fixed rate of 6.12% per annum. The loan is repayable on 1 July 2015 and is registered on the Channel Island Stock Exchange.

| | 2007 Number (million) | 2006 Number (million) |
|--|-----------------------------|-----------------------------|
| 14 Called up share capital | | |
| Authorised share capital | | |
| Ordinary shares of 10 pence each | <u>2,000</u> | <u>2,000</u> |
| Allotted, issued and fully paid | <u>2007 \$000</u> | <u>2006 \$000</u> |
| 207,858,858 (2006: 207,858,858) ordinary shares of 10 pence each | <u>34,389</u> | <u>34,389</u> |

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

| 15 Reserves and shareholders' capital | Share capital \$000 | Share premium \$000 | Profit and loss account \$000 | Total \$000 |
|--|------------------------------------|------------------------------------|--|------------------------|
| 1 January 2007 | 34,389 | 671,578 | 72,505 | 778,472 |
| Profit on ordinary activities after taxation | - | - | 506,822 | 506,822 |
| Dividends paid | - | - | (450,000) | (450,000) |
| 31 December 2007 | 34,389 | 671,578 | 129,327 | 835,294 |

16. Contingent liabilities

The Company guarantees, on a joint and several basis with certain fellow subsidiary undertakings of Willis Group Holdings Limited and Willis Group Holdings Limited itself, the following debt securities issued by Willis North America Inc, also a fellow subsidiary undertaking of Willis Group Holdings Limited

\$250 million 5 125% Senior Notes due 2010

\$350 million 5 625% Senior Notes due 2015

\$600 million 6 20% Senior Notes due 2017

17. 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.