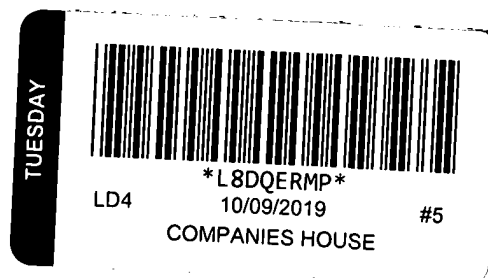

TOWER HILL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



TOWER HILL LIMITED

COMPANY INFORMATION

Directors P F Clayden (resigned 3 August 2018)
C W Godwin (appointed 3 August 2018)
J M Pickford

Company secretary C M Valentine

Registered number 00061161

Registered office 1 Tower Place West
Tower Place
London
EC3R 5BU

TOWER HILL LIMITED

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TOWER HILL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

During the year under review, the Company continued to act as an investment holding company.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company's activities are under review by the directors and a decision will be made in due course as to its future role within the Marsh & McLennan Companies, Inc. Group, however no decision has been taken to cease activities within 12 months of the signing of these financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2.3 to the financial statements.

DIRECTORS

The directors who served during the year were:

P F Clayden (resigned 3 August 2018)
C W Godwin (appointed 3 August 2018)
J M Pickford

QUALIFYING THIRD PARTY INDEMNITY PROVISION

The Company has put in place an indemnity in its Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

TOWER HILL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

POST BALANCE SHEET EVENTS

In September 2018, the Company's ultimate parent company, Marsh & McLennan Companies, Inc. (NYSE: MMC), a global professional services firm offering clients advice and solutions in risk, strategy and people, announced that it had reached an agreement to acquire Jardine Lloyd Thompson Group plc (LSE: JLT), a leading provider of reinsurance and employee benefits related advice, brokerage and associated services.

The acquisition of JLT accelerates MMC's strategy to be the preeminent global firm in the areas of risk, strategy and people solutions. JLT's track record of strong organic growth and attractive geographic diversification enhance MMC's ability to accelerate growth and margin expansion across products and geographies.

Under the terms of the transaction, holders of JLT's common shares received cash consideration of 19.15 pounds per share. Total cash consideration equates to 5.6 billion U.S. dollars in fully diluted equity value, or an estimated enterprise value of 6.4 billion U.S. dollars. The transaction completed 1 April 2019 and the transaction was funded by a combination of cash on hand and proceeds from debt financing.

Although the Company is not directly involved in the financing of this transaction, it will be affected by integration and expansion of this combined business into the Marsh & McLennan Companies, Inc. group of operating companies.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 4th September 2019 and signed on its behalf.



C M Valentine
Company Secretary

TOWER HILL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 to 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.

TOWER HILL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER HILL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tower Hill Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

TOWER HILL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER HILL LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

TOWER HILL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER HILL LIMITED (CONTINUED)

Matters on which we are required to report by exception

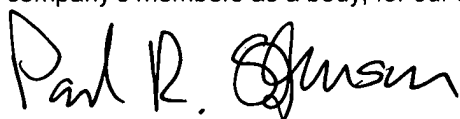
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Paul Stephenson BA, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 5/9/19.

TOWER HILL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	4	93	80
Gross profit		93	80
Administrative expenses		(1)	(1)
Other operating income	5	-	128
Other operating charges	6	(230)	-
Operating (loss)/profit		(138)	207
Interest receivable and similar income	9	28	-
Interest payable and similar expenses	10	(2)	(13)
(Loss)/profit before tax		(112)	194
Tax on (loss)/profit	11	(19)	(12)
(Loss)/profit for the financial year		(131)	182

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 form part of these financial statements.

All transactions derive from continuing operations.

TOWER HILL LIMITED
REGISTERED NUMBER: 00061161

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	13	3,000	3,230
		<u>3,000</u>	<u>3,230</u>
Current assets			
Debtors: amounts falling due within one year	14	66,388	66,890
Cash at bank and in hand	15	507	401
		<u>66,895</u>	<u>67,291</u>
Creditors: amounts falling due within one year	16	(5)	-
Net current assets	6	<u>66,890</u>	<u>67,291</u>
Total assets less current liabilities		<u>69,890</u>	<u>70,521</u>
Net assets		<u><u>69,890</u></u>	<u><u>70,521</u></u>
Capital and reserves			
Called up share capital	17	56,626	56,626
Profit and loss account	18	13,264	13,895
		<u>69,890</u>	<u>70,521</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



J M Pickford
Director

The notes on pages 11 to 23 form part of these financial statements.

TOWER HILL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	56,626	13,895	70,521
Comprehensive loss for the year			
Loss for the year	-	(131)	(131)
Total comprehensive loss for the year	-	(131)	(131)
Dividends: Equity capital	-	(500)	(500)
Total transactions with owners	-	(500)	(500)
At 31 December 2018	56,626	13,264	69,890

The notes on pages 11 to 23 form part of these financial statements.

TOWER HILL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	56,626	13,713	70,339
Comprehensive income for the year			
Profit for the year	-	182	182
Total comprehensive income for the year	-	182	182
At 31 December 2017	56,626	13,895	70,521

The notes on pages 11 to 23 form part of these financial statements.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Tower Hill Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the information page. Tower Hill Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 2.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Shareholders have been notified in writing and do not object to the disclosure exemptions.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment, and the directors are satisfied that the Company's services will continue to be attractive to clients.

The Company's forecasts and projections show that the Company should be able to generate positive cash flows for the foreseeable future.

The directors acknowledge the latest guidance on going concern. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

The Company's activities are under review by the directors and a decision will be made in due course as to its future role within the Marsh & McLennan Companies, Inc. Group, however no decision has been taken to cease activities within 12 months of the signing of these financial statements.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

All foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'interest receivable and other income' or 'interest payable and similar expenses'.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 INVESTMENT INCOME

Investment income is recognised on an accruals basis. Dividends from investments are accounted for when declared.

2.7 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.10 VALUATION OF INVESTMENTS

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.15 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation or with consideration of various stakeholders, including the management and delegation advisers of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend may be changed at any time, and influenced by factors such as:

- the Company's working capital requirements to sustain its business plans,
- the Company's future capital investment needs, and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying Company's accounting policies

The directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no critical accounting judgements.

Key sources of estimation uncertainty

Management have considered key sources of estimation uncertainty. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Dividends	93	80
	<u>93</u>	<u>80</u>

Analysis of turnover by country of destination:

	2018 £000	2017 £000
Rest of the world	93	80
	<u>93</u>	<u>80</u>

TOWER HILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. OTHER OPERATING INCOME

	2018 £000	2017 £000
Unrealised gain on quoted security	-	128
	<u>-</u>	<u>128</u>

The unrealised gain on a quoted security arose as a result of the revaluation of an investment to its fair market value.

6. OTHER OPERATING CHARGES

	2018 £000	2017 £000
Unrealised loss on quoted security	230	-
	<u>230</u>	<u>-</u>

The unrealised loss on a quoted security arose as a result of the revaluation of an investment to its fair market value.

7. AUDITOR'S REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £4,000 (2017 - £4,000).

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year.

The Company has not engaged its auditor for any non audit services.

8. INFORMATION REGARDING DIRECTOR'S AND EMPLOYEES

No remuneration was paid or is payable to the directors of Tower Hill Limited in respect of their services to the Company during the year or the previous year. The directors are remunerated for their services to other companies in the Marsh & McLennan Companies, Inc. Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the current or prior years.

Where the Company's directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Marsh Services Limited, the group's principal employing company.

TOWER HILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £000	2017 £000
Foreign exchange gains	28	-
	<u>28</u>	<u>-</u>
	<u><u>28</u></u>	<u><u>-</u></u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £000	2017 £000
Bank interest payable	2	1
Foreign exchange losses	-	12
	<u>2</u>	<u>13</u>
	<u><u>2</u></u>	<u><u>13</u></u>

11. TAX ON (LOSS)/PROFIT

	2018 £000	2017 £000
CORPORATION TAX		
Current tax on profits for the year	5	-
	<u>5</u>	<u>-</u>
	<u><u>5</u></u>	<u><u>-</u></u>
FOREIGN TAX		
Foreign tax on income for the year	14	12
	<u>14</u>	<u>12</u>
	<u><u>14</u></u>	<u><u>12</u></u>
TOTAL CURRENT TAX	<u><u>19</u></u>	<u><u>12</u></u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u><u>-</u></u>	<u><u>-</u></u>
TAX ON PROFIT	<u><u>19</u></u>	<u><u>12</u></u>

TOWER HILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. TAX ON (LOSS)/PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
(Loss)/profit before tax	(112)	194
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(21)	37
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	44	-
Non-taxable income	-	(25)
Exempt inter group dividend income	(18)	(15)
Foreign tax	14	12
Current year group relief for nil consideration	-	3
TOTAL TAX CHARGE FOR THE YEAR	19	12

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The rate of corporation tax reduced from 20% to 19% from 1 April 2017, and will reduce from 19% to 17% from 1 April 2020.

12. DIVIDENDS

	2018 £000	2017 £000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December	500	-

TOWER HILL LIMITED

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13. FIXED ASSET INVESTMENTS

	Listed investments £000
COST OR VALUATION	
At 1 January 2018	3,230
Income Statement: Unrealised fair market value adjustment for listed investment	(230)
At 31 December 2018	<u>3,000</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,000</u>
At 31 December 2017	<u>3,230</u>
Tax liability if sold at year end value:	
	<div style="display: flex; justify-content: space-between;"> 2018 £000 2017 £000 </div>
Tax charge/(credit)	<div style="display: flex; justify-content: space-between;"> 432 482 </div>
	<div style="display: flex; justify-content: space-between;"> <u>432</u> <u>482</u> </div>

A deferred tax liability in relation to any gain on any future sale of the investment has not been recognised as the gain would be expected to be relieved under s171 TCGA1992 by capital losses from other group companies.

TOWER HILL LIMITED

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14. DEBTORS

	2018	<i>2017</i>
	£000	<i>£000</i>
Amounts falling due within one year		
Amounts owed by group undertakings	66,388	<i>66,890</i>
	<u>66,388</u>	<u><i>66,890</i></u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£000	<i>£000</i>
Cash at bank and in hand	507	<i>401</i>
	<u>507</u>	<u><i>401</i></u>

16. CREDITORS: Amounts falling due within one year

	2018	<i>2017</i>
	£000	<i>£000</i>
Corporation tax	5	<i>-</i>
	<u>5</u>	<u><i>-</i></u>

17. SHARE CAPITAL

	2018	<i>2017</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
56,626,228 (2017 - 56,626,228) Ordinary Shares shares of £1.00 each	56,626	<i>56,626</i>
	<u>56,626</u>	<u><i>56,626</i></u>

The share capital of the Company consists of fully paid ordinary shares with a par value of £1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

TOWER HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

18. RESERVES

Profit and loss account

Profit and loss account represents cumulative profits and losses, net of dividends paid.

19. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group (the "Group"), where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

20. POST BALANCE SHEET EVENTS

In September 2018, the Company's ultimate parent company, Marsh & McLennan Companies, Inc. (NYSE: MMC), a global professional services firm offering clients advice and solutions in risk, strategy and people, announced that it had reached an agreement to acquire Jardine Lloyd Thompson Group plc (LSE: JLT), a leading provider of reinsurance and employee benefits related advice, brokerage and associated services.

The acquisition of JLT accelerates MMC's strategy to be the preeminent global firm in the areas of risk, strategy and people solutions. JLT's track record of strong organic growth and attractive geographic diversification enhance MMC's ability to accelerate growth and margin expansion across products and geographies.

Under the terms of the transaction, holders of JLT's common shares received cash consideration of 19.15 pounds per share. Total cash consideration equates to 5.6 billion U.S. dollars in fully diluted equity value, or an estimated enterprise value of 6.4 billion U.S. dollars. The transaction completed 1 April 2019 and the transaction was funded by a combination of cash on hand and proceeds from debt financing.

Although the Company is not directly involved in the financing of this transaction, it will be affected by integration and expansion of this combined business into the Marsh & McLennan Companies, Inc. group of operating companies.

TOWER HILL LIMITED

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21. CONTROLLING PARTY

The Company's immediate parent company is MMC UK Group Limited, a company registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., which is incorporated in Delaware, United States of America.

The smallest and largest Group in which the financial statements of the Company are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
MMC Treasury Holdings (UK) Limited
1 Tower Place West
Tower Place
London
EC3R 5BU
United Kingdom