

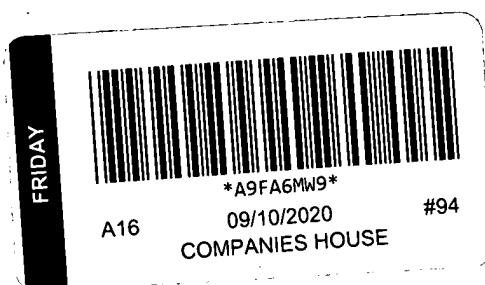
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**TOWER HILL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**TOWER HILL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C W Godwin J M Pickford
<b>Company secretary</b>	C M Valentine
<b>Registered number</b>	00061161
<b>Registered office</b>	1 Tower Place West Tower Place London EC3R 5BU

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## **TOWER HILL LIMITED**

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## **TOWER HILL LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the audited financial statements for the year ended 31 December 2019.

#### **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 the approval of the financial statements and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company has modelled a range of potential future financial outcomes and continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

#### **DIRECTORS**

The directors who served during the year were:

C W Godwin  
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.

#### **POST BALANCE SHEET EVENTS**

##### **COVID-19**

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Developments in the first half of 2020 have created significant uncertainty about the impact on the global economy and has resulted in significant impacts to the financial markets and asset values around the world. The Company considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event (i.e. an event that is indicative of a condition that arose after the end of the reporting period). Based on the most recent interim management information, there has not been a significant impact of Covid-19 on the net assets of the Company, however, due to the evolving nature of this situation, the Company continues to monitor the impact of Covid-19 on results. It has been able to produce estimates through stress testing of different scenarios that provide a reasonable expectation that the Company has adequate resources to continue in operational existence.

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**TOWER HILL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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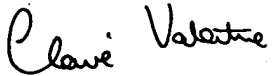
**AUDITOR**

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 **23 September 2020** and signed on its behalf.



**C M Valentine**  
Company Secretary

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## **TOWER HILL LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law 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), including FRS 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 audited financial statements, the directors are required to:

- select suitable accounting policies 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.

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## **TOWER HILL LIMITED**

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

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#### **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 2019 and of its profit 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.

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## TOWER HILL LIMITED

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

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#### **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](http://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.



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**TOWER HILL LIMITED**

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

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**Matters on which we are required to report by exception**

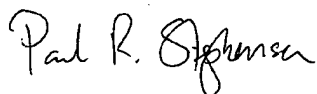
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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: 23 September 2020

**TOWER HILL LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Dividend income	4	113	93
<b>Gross profit</b>		<u>113</u>	<u>93</u>
Administrative expenses		(1)	(1)
Other operating income	5	381	-
Other operating charges	6	-	(230)
<b>Operating profit/(loss)</b>		<u>493</u>	<u>(138)</u>
Interest receivable and similar income	9	-	28
Interest payable and similar expenses	10	(7)	(2)
<b>Profit/(loss) before tax</b>		<u>486</u>	<u>(112)</u>
Tax on profit/(loss)	11	(17)	(19)
<b>Profit/(loss) for the financial year</b>		<u><u>469</u></u>	<u><u>(131)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 22 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 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	13	3,381	3,000
		<u>3,381</u>	<u>3,000</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	66,388	66,388
Cash at bank and in hand	15	598	507
		<u>66,986</u>	<u>66,895</u>
Creditors: amounts falling due within one year	16	(515)	(5)
<b>Net current assets</b>		<u>66,471</u>	<u>66,890</u>
<b>Total assets less current liabilities</b>		<u>69,852</u>	<u>69,890</u>
<b>Net assets</b>		<u>69,852</u>	<u>69,890</u>
<b>Capital and reserves</b>			
Called up share capital	17	56,626	56,626
Profit and loss account	18	13,226	13,264
		<u>69,852</u>	<u>69,890</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  
**23 September 2020**



**C W Godwin**  
Director

The notes on pages 11 to 22 form part of these financial statements.

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**TOWER HILL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2019	56,626	13,264	69,890
<b>Comprehensive income for the year</b>			
Profit for the year	-	469	469
<b>Total comprehensive income for the year</b>	-	469	469
Dividends: Equity capital	-	(507)	(507)
<b>Total transactions with owners</b>	-	(507)	(507)
<b>At 31 December 2019</b>	<b>56,626</b>	<b>13,226</b>	<b>69,852</b>

The notes on pages 11 to 22 form part of these financial statements.

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**TOWER HILL LIMITED**

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

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

The notes on pages 11 to 22 form part of these financial statements.

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## TOWER HILL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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.

The description of "Turnover" has been changed to "Dividend Income" in the income statement for the current and prior year as this reflects the nature of the income received by the Company and complies with the s474 of the Companies Act. There has been no impact on results of the Company as a result of this change.

#### 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 2019 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.

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## **TOWER HILL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **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 the exchange rate between sterling and foreign currencies. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic. The Directors considered it was appropriate for the Company to perform additional procedures and analysis, specific to COVID-19, to consider whether these events and uncertainties cast significant doubt upon the Company's ability to continue as a going concern. This monitoring and analysis considered our business resilience and continuity plans of the Company's investments and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a 12-month period so that the potential impact on profitability and liquidity could be assessed.

Having assessed the responses to their enquiries, including those related to COVID-19, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern.

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 the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual 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 year 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'.

### **2.5 DIVIDEND INCOME**

Dividends from investments are accounted for when declared.

### **2.6 INTEREST INCOME**

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

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## **TOWER HILL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.7 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.

### **2.8 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.

### **2.9 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.

### **2.10 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.

### **2.11 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.

### **2.12 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.

### **2.13 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



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## TOWER HILL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.13 FINANCIAL INSTRUMENTS (continued)

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.

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.

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## TOWER HILL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.14 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.

## 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.

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**TOWER HILL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. DIVIDEND INCOME**

	2019 £000	2018 £000
Dividends	113	93
	<u>113</u>	<u>93</u>
	<u><u>113</u></u>	<u><u>93</u></u>
	2019 £000	2018 £000
Rest of the world	113	93
	<u>113</u>	<u>93</u>
	<u><u>113</u></u>	<u><u>93</u></u>

**5. OTHER OPERATING INCOME**

	2019 £000	2018 £000
Unrealised gain on quoted security	381	-
	<u>381</u>	<u>-</u>
	<u><u>381</u></u>	<u><u>-</u></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**

	2019 £000	2018 £000
Unrealised loss on quoted security	-	230
	<u>-</u>	<u>230</u>
	<u><u>-</u></u>	<u><u>230</u></u>

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

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## TOWER HILL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 7. AUDITOR'S REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £4,000 (2018 - £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.

#### 9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Foreign exchange gains	-	28
	<u>-</u>	<u>28</u>

#### 10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £000	2018 £000
Bank interest payable	2	2
Foreign exchange losses	5	-
	<u>7</u>	<u>2</u>

**TOWER HILL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	2019 £000	2018 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	5
	<u>-</u>	<u>5</u>
<b>FOREIGN TAX</b>		
Foreign tax on income for the year	17	14
	<u>17</u>	<u>14</u>
<b>TOTAL CURRENT TAX</b>	<u>17</u>	<u>19</u>
<b>DEFERRED TAX</b>		
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>-</u>
<b>TAX ON PROFIT</b>	<u>17</u>	<u>19</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit/(loss) before tax	486	(112)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	92	(21)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	44
Non-taxable income	(72)	-
Exempt inter group dividend income	(21)	(18)
Foreign tax	17	14
Current year group relief for nil consideration	1	-
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>17</u>	<u>19</u>

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**TOWER HILL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated.

**12. DIVIDENDS**

	2019 £000	2018 £000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December	507	500

**13. FIXED ASSET INVESTMENTS**

	Listed investments £000
<b>COST OR VALUATION</b>	
At 1 January 2019	3,000
Revaluations	381
At 31 December 2019	3,381

**Tax liability if sold at year end value:**

	2019 £000	2018 £000
Tax charge	505	432
	505	432

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.

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**TOWER HILL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**14. DEBTORS**

	2019 £000	2018 £000
Amounts owed by group undertakings	66,388	66,388
	<u>66,388</u>	<u>66,388</u>

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

**15. CASH AND CASH EQUIVALENTS**

	2019 £000	2018 £000
Cash at bank and in hand	598	507
	<u>598</u>	<u>507</u>

**16. CREDITORS: Amounts falling due within one year**

	2019 £000	2018 £000
Amounts owed to group undertakings	510	-
Corporation tax	5	5
	<u>515</u>	<u>5</u>

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

**17. SHARE CAPITAL**

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
56,626,228 (2018 - 56,626,228) Ordinary Shares shares of £1.00 each	56,626	56,626

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.

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## **TOWER HILL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **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**

##### **COVID-19**

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Developments in the first half of 2020 have created significant uncertainty about the impact on the global economy and has resulted in significant impacts to the financial markets and asset values around the world. The Company considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event (i.e. an event that is indicative of a condition that arose after the end of the reporting period). Based on the most recent interim management information, there has not been a significant impact of Covid-19 on the net assets of the Company, however, due to the evolving nature of this situation, the Company continues to monitor the impact of Covid-19 on results. It has been able to produce estimates through stress testing of different scenarios that provide a reasonable expectation that the Company has adequate resources to continue in operational existence.



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## **TOWER HILL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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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