

Miller Insurance Holdings Limited

**Annual report and financial statements for the year ended
31 December 2017**



Registered Number 00830141

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Strategic report for the year ended 31 December 2017

1. Business development

Miller Insurance Holdings Limited ('company') is a holding company and does not trade. The financial statements of the company are drawn up to 31 December each year.

On 18 January 2017, Miller Insurance Investments Limited was dissolved and on 23 January 2017, Morton Insurance Company Limited was dissolved. In the year ended 31 December 2016, the investments were written down to the carrying value of the net assets of the dissolved entities. Both the write down and the subsequent dissolution of these entities did not have a material effect on the company's net assets.

The result for the year to 31 December 2016 reflected the final allocation of a share of the profits and losses arising from the company's investment in Miller Insurance Services LLP. This was as a result of the introduction of hedge accounting in the LLP, whereby the company was allocated a partnership investment loss of £3.2m relating to the hedge accounting losses incurred prior to the date that the company ceased to be a corporate member of the LLP;

The company also receives dividends from its subsidiaries.

2. Performance during the year

The company has performed satisfactorily during the year.

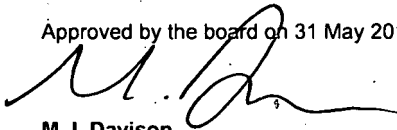
The indicators used to monitor the financial performance of the company and its results for the year ended 31 December 2017 are listed below:

- dividends receivable were £385k;
- administrative expenses were £55k;
- profit before tax was £180k; and
- balance sheet net assets increased by £164k to £7,926k.

3. Principal risks and uncertainties

The company is a holding company and its principal investment is in Miller Insurance Services (Singapore) Pte Ltd. Its key risk is the variability of its dividend income stream during the year.

Approved by the board on 31 May 2018 and signed on behalf of the board by:



M.J. Davison
Director
70 Mark Lane
London EC3R 7NQ

Directors' report for the year ended 31 December 2017

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

1. Principal activities

During the year the company acted as a holding company and did not trade. The financial statements of the company are drawn up to 31 December each year.

The company does not prepare consolidated financial statements as it is entitled to the exemptions provided by Section 400 (1) of the Companies Act 2006 and because it is included in the group accounts of Willis Towers Watson PLC (collectively referred to as 'WTW'), the ultimate controlling party. Consolidated financial statements are prepared by WTW.

2. Strategic report

In accordance with Section 414C (11) the strategic report on page 1 contains corporate activities, risk management and business development.

3. Post balance sheet events

The directors are not aware of any other post balance sheet events prior to the financial statements being signed that need to be disclosed or adjusted.

4. Partnership investment income

There was no partnership income during the year. In September 2016 the company was allocated a loss of £3.2m in relation to its share of the profits of the LLP to 31 December 2015. In accordance with accounting policy 2.15, this loss has been accounted for in the financial year ending 31 December 2016.

5. Dividends

During the year £50k dividend was received from the company's subsidiary Miller Insurance Services (Singapore) Pte Ltd. There were no dividends in 2016.

6. Directors

Executive Directors

E.R.G.	Clarke (Chair)
G.E.M.	Collins
M.J.	Davison

7. Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Directors' report for the year ended 31 December 2017 (continued)

7. Directors' responsibilities statement (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year. In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors of the company have, individually, considered their responsibilities to provide information to the company's auditors and in so far as each of them is aware there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

8. Going concern

On the basis of current financial projections and other information available, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that accordingly it is appropriate for these financial statements to have been prepared on the going concern basis.

9. Liability of directors and officers

The company has qualifying third party indemnity insurance for its directors and officers against liability as permitted by Section 233 of the Companies Act 2006.

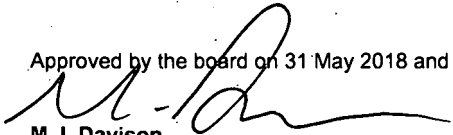
10. Auditor

Each of the persons who are a director at the date of approval of this report confirms 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 steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Deloitte LLP has indicated their willingness to be reappointed for another term as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board on 31 May 2018 and signed on behalf of the board by:


M.J. Davison
Director
70 Mark Lane
London EC3R 7NQ

Independent auditors' report for the year ended 31 December 2017

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Miller Insurance Holdings Limited ('the company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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.

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.

Independent auditors' report for the year ended 31 December 2017

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

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.

We have nothing to report in respect of these matters.



Elanor Gill (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
31 May 2018

12 June 2018

Miller Insurance Holdings Limited

Statement of comprehensive income for the year ended 31 December 2017

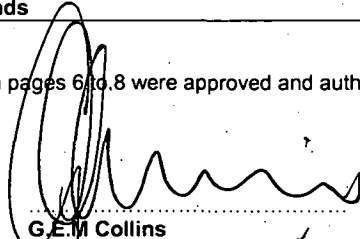
		Continuing operations	Discontinued operations	Total		Continuing operations	Discontinued operations	Total
		31 December 2017	31 December 2017	31 December 2017		31 December 2016	31 December 2016	31 December 2016
	Notes	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s
Turnover	4	-	-	-		-	(3,212)	(3,212)
Administrative expenses								
- Foreign exchange (losses)/gains		(38)	-	(38)		106	-	106
- Other administrative expenses		(17)	-	(17)		-	-	-
Total administrative expenses		(55)	-	(55)		106	-	106
Other losses	5	-	-	-		(13)	-	(13)
Operating (loss)/profit	6	(55)	-	(55)		93	(3,212)	(3,119)
Investment income	8	385	-	385		384	-	384
Interest receivable and similar income	9	137	-	137		88	-	88
Interest payable and similar costs	10	(287)	-	(287)		(15)	-	(15)
Profit/(loss) on ordinary activities before income tax		180	-	180		550	(3,212)	(2,662)
Income tax on ordinary activities	11	(16)	-	(16)		(96)	-	(96)
Profit/(loss) for the financial year		164	-	164		454	(3,212)	(2,758)
Total comprehensive income/(loss) for the year		164	-	164		454	(3,212)	(2,758)

Statement of financial position as at 31 December 2017

		31 December 2017	31 December 2016
	Notes	£'000s	£'000s
Fixed assets			
Investments in group undertakings	12	3,752	4,038
Other investments	12	405	444
		4,157	4,482
Current assets			
Trade and other receivables	13	5,573	5,612
Cash at bank and in hand		352	104
		5,925	5,716
Creditors - amounts falling due within one year	14	(2,156)	(2,436)
Net current assets		3,769	3,280
Total assets less current liabilities		7,926	7,762
Net assets		7,926	7,762
Equity			
Share capital	15	2,000	2,000
Capital reserve		52	52
Retained earnings		5,874	5,710
Total shareholder's funds		7,926	7,762

The financial statements on pages 6 to 8 were approved and authorised by the Board of Directors on 31 May 2018 and signed on their behalf by

Designated member:



G.E.M. Collins

Registered Number 00830141

The notes on pages 9 to 18 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2017

	Called-up share capital	Capital reserve	Retained earnings	Total
	£'000s	£'000s	£'000s	£'000s
Balance at 1 January 2016	2,000	52	8,468	10,520
Loss for the year	-	-	(2,758)	(2,758)
Total comprehensive income for the year	-	-	(2,758)	(2,758)
Balance at 31 December 2016	2,000	52	5,710	7,762
Balance at 1 January 2017	2,000	52	5,710	7,762
Profit for the year	-	-	164	164
Total comprehensive income for the year	-	-	164	164
Dividends	-	-	50	50
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance at 31 December 2017	2,000	52	5,874	7,926

Retained earnings represent accumulated comprehensive income for the year and prior year less dividends paid.

The capital reserve represents amounts retained in order to increase the capital base for regulatory purposes.

Dividends per share in the year to 31 December 2017 and the year to 31 December 2016 were £nil.

Notes to the financial statements for the year ended 31 December 2017

1. General information

Miller Insurance Holdings Limited ('company') is a holding company and was, before 1 May 2015, the corporate partner in Miller Insurance Services LLP and entitled to a share of the partnership profits. The company did not undertake any trade during the current or comparative year.

The company is a private company and is incorporated and domiciled in England and Wales. The address of its registered office is 70 Mark Lane, London EC3R 7NQ.

These financial statements are separate financial statements. The company has taken advantage of Section 401 of the Companies Act 2016 in not preparing consolidated financial statements on the basis that it is included in the group accounts of Willis Towers Watson PLC (WTW) – the group accounts of Willis Towers Watson PLC are available as set out in note 17. The registered office address of the ultimate parent company preparing consolidated accounts is Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, Ireland. The company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has made the amendments to Company Law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in conformity with FRS 101 on the historical cost basis, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- comparative information has not been given in respect of:
 - a reconciliation of the carrying amount of each class of property, plant and equipment at the beginning of the year;
 - a reconciliation of the carrying amount of each class of intangible assets at the beginning of the year;
- the requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification;
- the requirement to disclose information relating to the company's objectives, policies and processes for managing capital;
- the requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date;
- the requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits;
- the requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group;
- the requirement to include a cash flow statement in the financial statements.

Notes to the financial statements for the year ended 31 December 2017 (continued)

2. Summary of significant accounting policies (continued)

2.2 Period of account and the comparative period of account

These financial statements cover the year from 1 January 2017 to 31 December 2017.

The comparative period of these financial statements is the year from 1 January 2016 to 31 December 2016.

2.3 Going concern

The company meets its day-to-day working capital requirements through its cash reserves. The company's forecasts and projections, taking account of reasonably possible changes in performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Consolidation

The financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by the Companies Act 2006, as it is a subsidiary undertaking of Miller Insurance Services LLP, a Limited Liability Partnership incorporated in the United Kingdom which is itself a subsidiary undertaking of Miller 2015 Limited, a company incorporated in the United Kingdom, and is included in the consolidated financial statements of Willis Towers Watson PLC, a company incorporated in Ireland.

2.5 Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 income statement. All other foreign exchange gains and losses are presented in the income statement.

2.6 Financial assets

Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Notes to the financial statements for the year ended 31 December 2017 (continued)

2. Summary of significant accounting policies (continued)

2.6 Financial assets (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' in the balance sheet.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the company's right to receive payments is established.

2.7 Investments in group undertakings and other investments

Investments in group undertakings and other investments are held at cost less accumulated impairment losses.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.9 Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12 Creditors

Creditors are recognised initially at fair value and, are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2017 (continued)

2. Summary of significant accounting policies (continued)

2.13 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Reorganisation provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2.15 Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable from the company's share of profits of Miller Insurance Services LLP in which it was a corporate member. Income is recognised when the LLP allocates profit to the members in accordance with the membership agreement. Generally this will be in the financial year following the year in which the profits arise in the LLP.

2.16 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.17 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.18 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the year in which the dividends are approved by the company's shareholders.

Notes to the financial statements for the year ended 31 December 2017 (continued)

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Impairment of financial assets

Financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. The recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions.

4. Turnover

All turnover relates to share of partnership profits of Miller Insurance Services LLP and arose in the United Kingdom as explained in the strategic report.

5. Other losses

	31 December 2017	31 December 2016
	£'000s	£'000s
Loss on disposal of other investments	-	(13)
	-	(13)

6. Operating profit

Operating profit is stated after charging

	31 December 2017	31 December 2016
	£'000s	£'000s
Audit fees payable to the company's auditor	17	-

For the year ended 31 December 2016, the auditor's remuneration for audit work of £8k was borne by Miller Insurance Services LLP, the immediate parent.

The company has no employees.

7. Directors' emoluments

The company does not remunerate the directors. The directors are remunerated by Miller Insurance Services LLP, the immediate controlling party.

Notes to the financial statements for the year ended 31 December 2017 (continued)

8. Investment income

	Continuing operations	Discontinued operations	Total	Total
	31 December 2017	31 December 2017	31 December 2017	31 December 2016
	£'000s	£'000s	£'000s	£'000s
Dividends from group undertaking	50	335	385	384

9. Interest receivable and similar income

	31 December 2017	31 December 2016
	£'000s	£'000s
Interest income on amounts owed by group undertakings	88	65
Accrued interest on bond	23	23
Exchange gain	26	-
Total interest income on financial assets not measured at fair value through profit or loss	137	88

10. Interest payable and similar costs

	Continuing operations	Discontinued operations	Total	Total
	31 December 2017	31 December 2017	31 December 2017	31 December 2016
	£'000s	£'000s	£'000s	£'000s
Impairment of group undertakings/group loan	-	(287)	(287)	(15)

Notes to the financial statements for the year ended 31 December 2017 (continued)

11. Income tax

Tax expense included in profit of loss

	31 December 2017	31 December 2016
	£'000s	£'000s
Current tax:		
UK corporation tax on profits for the year	16	39
Adjustments in respect of prior years	-	57
Total current tax	16	96
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	16	96

Tax expense for the year is lower (31 December 2016: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19% (31 December 2016: 20%). The differences are explained below:

Profit/(loss) on ordinary activities before tax	180	(2,662)
Profit multiplied by the standard rate of tax in the UK of 19% (31 December 2016: 20%)	34	(532)
Effects of:		
- Income not subject to tax	(10)	-
- Profit on disposal of associate	-	3
- Expenses not deductible for tax purposes	55	3
- Intercompany balance written off	(63)	(77)
- Adjustments in respect of prior years	-	57
- Share of partnership losses	-	642
Tax charge	16	96

Change in corporation tax rate

The Finance Act 2013 set the rate of UK corporation tax at 20% with effect from 1 April 2015. The Finance Act 2015 maintained this rate for the year from 1 April 2016. The Finance (No.2) Act 2015 which was substantively enacted on 26 October 2015 and received royal assent on 18 November 2015 reduced the rate to 19% with effect from 1 April 2017 with a further reduction to 18% from 1 April 2020. As the changes were substantively enacted prior to 31 December 2015, they have been reflected in these financial statements. The Finance Bill 2016, substantively enacted on 6 September 2016, further reduced the Corporation tax rate down to 17% from 1 April 2020.

Miller Insurance Holdings Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

12. Investments

	31 December 2017				31 December 2016		
	Shares in group undertakings	Loans and receivables	Total		Shares in group undertakings	Loans and receivables	Total
	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s
Opening balance	4,038	444	4,482		4,053	372	4,425
Foreign exchange to close rate	-	(39)	(39)		-	72	72
Write down of investment	-	-	-		(15)	-	(15)
Disposals	(286)	-	(286)		-	-	-
Closing balance	3,752	405	4,157		4,038	444	4,482

Shares in group undertakings

The company's group undertakings as at 31 December 2017 are set out below. None of the investments in group undertakings or associated undertakings are publically traded.

Company	Nature of Business	Country of Incorporation	Notes
Miller Insurance Services (Singapore) Pte Ltd	Insurance broking	Singapore	Share capital 4,547,801 SGD1 ordinary shares owned by Miller Insurance Holdings Limited. Registered address 10 Collyer Quay #07-04/05, Ocean Financial Centre, Singapore 049315
Six Clerks Insurance Services Limited	Managing general agent	England and Wales	Share capital 33,334 £1 A ordinary shares representing 50.01% ownership by Miller Insurance Holdings Limited and The Law Society of England and Wales owning 49.99% of the share capital.
Miller Bermuda Limited	Insurance broking	Bermuda	Share capital 12,000 US\$1 ordinary shares owned by Miller Insurance Holdings Limited
Morton Insurance Company Limited	Insurance underwriting (non-trading, dissolved 23 January 2017)	Bermuda	Share capital 186,533 £1 ordinary shares owned by Miller Insurance Holdings Limited
International Tankers Indemnity Association Limited	Insurance services	Bermuda	Share capital 350,000 US\$1 ordinary shares owned by Miller Insurance Holdings Limited
Miller Insurance Investments Limited	Dormant (dissolved 18 January 2017)	England and Wales	Share capital 100,000 £1 ordinary shares owned by Miller Insurance Holdings Limited
Miller Holdings Limited	Dormant	England and Wales	Share capital 100,000 £1 ordinary shares owned by Miller Insurance Holdings Limited
Miller Reinsurance Brokers Limited	Dormant	England and Wales	Share capital 100,000 £1 ordinary shares owned by Miller Insurance Holdings Limited
Miller North America Limited	Dormant	England and Wales	Share capital 100,000 £1 ordinary shares owned by Miller Insurance Holdings Limited
MICAL Limited	Dormant	Guernsey	Share capital 2 £1 ordinary shares and 1,500,000 redeemable preference shares of £1 each both owned by Miller Insurance Holdings Limited. Registered address P.O. Box 119 Martello Court, Admiral Park, St Peter port, Guernsey
Miller Marine Limited	Dormant	England and Wales	Share capital 1,000 £1 ordinary shares owned by Miller Insurance Holdings Limited

All companies incorporated in the United Kingdom are registered in England and Wales at 70 Mark Lane, London, EC3R 7NQ. All companies incorporated in Bermuda are registered at Victoria Place, 31 Victoria Street, Hamilton, HM 10, Bermuda. All undertakings are 100% holdings except Six Clerks Insurance Services Limited (see above).

During the year the company received dividends of £50k from Miller Insurance Services (Singapore) Pte Ltd (31 December 2016: £384k from Morton Insurance Company Limited)

Notes to the financial statements for the year ended 31 December 2017 (continued)

12. Investments (continued)

Other investments
Loans and receivables

Loans and receivables consist of a bond which is perpetual and interest payments are deferrable at the issuer's option, under certain circumstances. The bond was purchased with a fixed interest rate of 9% for the first 5 years. The bonds were listed on the London Stock Exchange in 2010.

From 22 August 2013 to 21 August 2018 interest is payable at 3 month USD Libor + 481.5bps. After 22 August 2018, interest is payable at a 3 month USD Libor + 100bps until such date as the bonds are redeemed by the issuer.

13. Debtors

	31 December 2017	31 December 2016
	£'000s	£'000s
Amounts owed by group undertakings	5,086	5,440
Other debtors	487	172
	5,573	5,612

Amounts owed by group undertakings are unsecured, are charged interest at a rate of 2.00%, have no fixed date of repayment and are repayable on demand.

Other debtors include amounts of £ Nil (31 December 2016: £nil) which fall due after more than one year.

14. Creditors - amounts falling due within one year

	31 December 2017	31 December 2016
	£'000s	£'000s
Amounts owed to group undertakings	2,130	2,397
Taxation and social security	16	39
Other creditors	10	-
	2,156	2,436

Amounts due to group undertakings are unsecured, are charged interest at a rate of 2.00%, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements for the year ended 31 December 2017 (continued)

15. Share capital

Ordinary shares of £1.00 each

	Ordinary shares	
	31 December 2017	31 December 2016
Allotted, issued and fully paid 2,000,000 ordinary shares of £1 each	£'000s	£'000s
Opening balance	2,000	2,000
Share issue	-	-
Closing balance	£2,000	£2,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

16. Pension guarantee

As part of the reorganisation on 1 May 2012 and the transfer of the defined benefit scheme liabilities to Miller Insurance Services LLP, the LLP, the company entered into an agreement that guaranteed all present and future pension obligations and liabilities of the LLP. Following the corporate transaction with WTW, this guarantee has been revoked.

17. Controlling party & ultimate parent

The immediate parent undertaking is Miller Insurance Services LLP registered in England and Wales and for day to day operations, the LLP is run by its Partnership Board. However, the terms of the partnership agreement are such that Willis Towers Watson PLC has certain step in rights in certain circumstances and for this reason the controlling parties are deemed to be:-

- The LLP's immediate parent undertaking, Miller 2015 Limited.
- The ultimate parent undertaking and controlling party and the smallest and largest group to consolidate these financial statements is Willis Towers Watson PLC incorporated in Ireland and these group accounts are available from the Company Secretary, 51 Lime Street, London EC3M 7DQ.

18. Related party transactions

Loans to/from related parties

	31 December 2017	31 December 2016
	£'000s	£'000s
Loans to/from subsidiaries of WTW		
Loans advanced to Six Clerks Insurance Services Limited	100	100
Total	100	100

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owed by related parties.

19. Post balance sheet events

The directors are not aware of any other post balance sheet events prior to the financial statements being signed that need to be disclosed or adjusted.