

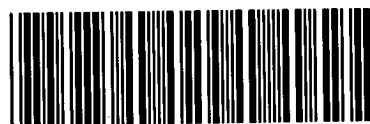
TOWERS PERRIN EUROPE LIMITED

Registered Number 04562676

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

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TOWERS PERRIN EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS **For the year ended 31 December 2022**

CONTENTS	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

TOWERS PERRIN EUROPE LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2022

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to provide finance to other group companies.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

Review of the year

The directors present their review of the business for the year ended 31 December 2022.

Profit before taxation was £1,470,000 arising from interest receivable of £1,470,000 (2021 - £73,000, comprising interest receivable £73,000). The change in interest is a result of change in the interest rate charged.

The directors are satisfied with the financial performance of the Company and with its future prospects as a financing company the expected level of activity in the forthcoming year is expected to remain the same.

POST BALANCE SHEET EVENTS

There have been no post balance sheet events since the year end.

Risks and Uncertainties of the Economic Environment

As a consequence of the COVID-19 pandemic and/or other world events such as the invasion of Ukraine by Russia, there have been adverse changes in global commercial activity, particularly in the global supply chain and workforce availability, and significant volatility in the global financial markets including, among other effects, occasional declines in the equity markets, changes in interest rates and reduced liquidity on a global basis.

As a company providing finance to fellow group companies the risk to the Company is that as a result of a change in the economic environment such that fellow group companies are unable to repay. This is discussed as part of credit and cash-flow risk.

The Company will continue to monitor the situation and assess any implications to our business and our stakeholders.

Principal risks and uncertainties

The Company has a significant loan to a related undertaking. The Company is exposed to the impairment of this loan if there are insufficient cash flows to support the carrying value of the loan. The Company reviews the loan for signs of impairment and provisions are made where appropriate.

The directors consider the Company's exposure to price risk, liquidity risk and cash flow risk to be insignificant.

Cash flow risk

The Company is primarily funded by interest from its inter-company receivable and exposed to credit risk as a result of the financing activities it performs with fellow group companies, however this is actively monitored by management.

DIVIDENDS

Dividends of £nil were paid during the year (2021 - £5,000,000). No final dividend is proposed (2021 - £nil).

TOWERS PERRIN EUROPE LIMITED

DIRECTORS' REPORT (continued)

For the year ended 31 December 2022

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

DIRECTORS

The directors who served throughout the year (except where otherwise stated) were as follows:

K Boysen	(Appointed 11 February 2022)
K Norman	(Appointed 11 February 2022)
S J Alcock	(Resigned 11 February 2022)
S M Girling	(Resigned 11 February 2022)

Third party indemnity provisions

As is permitted by the Company's Articles of Association and section 232 and 234 of the Companies Act 2006 qualifying third party indemnity provisions were in force during the period and remain in force for the benefit of the Directors (and any officers) of the Company. A fellow group Company, maintains directors' liability insurance cover for the company directors and officers as permitted under the Company's Articles. Such insurance policies remained in force during the period.

INDEPENDENT AUDITOR AND STATEMENT OF PROVISION OF INFORMATION TO THE INDEPENDENT AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor of the Company and will be reappointed as auditor for the next year.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 415A of the Companies Act 2006. The Strategic Report has not been prepared in accordance with the small companies exemption provided by section 414B of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



K Norman

Watson House, London Road
Reigate, Surrey
RH2 9PQ

12 June 2023

TOWERS PERRIN EUROPE LIMITED

For the year ended 31 December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWERS PERRIN EUROPE LIMITED
Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Towers Perrin Europe Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWERS PERRIN EUROPE LIMITED

Report on the audit of the financial statements (continued)

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWERS PERRIN EUROPE LIMITED
Report on the audit of the financial statements (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with regulatory authorities.

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.

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 take advantage of the small companies' exemption 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.



Nicholas Bowker, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

12 June 2023

TOWERS PERRIN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT **For the year ended 31 December 2022**

	Notes	2022 £'000	2021 £'000
OPERATING RESULT		—	—
Interest receivable and similar income	6	1,470	73
PROFIT BEFORE TAXATION	3	1,470	73
Tax on profit	7	(279)	(14)
PROFIT FOR THE FINANCIAL YEAR		1,191	59

All results are from continuing operations.

There are no recognised gains and losses for the current or preceding financial year other than the profit shown above. Therefore, a statement of comprehensive income is not presented.

TOWERS PERRIN EUROPE LIMITED

BALANCE SHEET

Company Registration Number 04562676

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
CURRENT ASSETS			
Debtors			
due within one year	8	129,611	128,155
Total debtors	8	129,611	128,155
		129,611	128,155
Creditors: amounts falling due within one year	9	(1,521)	(1,256)
TOTAL ASSETS LESS CURRENT LIABILITIES		128,090	126,899
CAPITAL AND RESERVES			
Called up share capital	10	—	—
Profit and loss account	10	128,090	126,899
SHAREHOLDERS' FUNDS		128,090	126,899

These financial statements were approved by the Board of Directors and authorised for issue on 12 June 2023.

Signed on behalf of the Board of Directors.



K Norman
Director

TOWERS PERRIN EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

Equity attributable to equity shareholders' of the Company

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2021	—	131,840	131,840
Profit for the year	—	59	59
Total comprehensive income	—	59	59
Dividends	—	(5,000)	(5,000)
At 31 December 2021	—	126,899	126,899
Profit for the year	—	1,191	1,191
Total comprehensive income	—	1,191	1,191
At 31 December 2022	—	128,090	128,090

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022

1. ACCOUNTING POLICIES

Towers Perrin Europe Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the Company's registered office is Watson House, London Road, Reigate, Surrey, RH2 9PQ. The Company's principal place of business is Watson House, London Road, Reigate, Surrey, RH2 9PQ. The principal activities of the Company are set out in the Directors' Report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The principal accounting policies adopted are described below and have been applied consistently in the current and prior year.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

a. Going concern

The directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

The Company's business activities and the factors likely to affect its future development and position, including the potential impact of COVID-19 and emerging world events, are set out in the Directors' report.

The Company meets its day to day working capital requirements by being part of a cash pooling arrangement managed by the WTW treasury function which reviews the Company's forecasts and projections, taking account of reasonably possible changes in interest rate, and shows that the Company should be able to operate within the level of its current arrangement.

The Company's continues to earn a profit and has generated operating cash flows in the year.

Having assessed the responses to their enquiries, including those related to COVID-19 and/or emerging world events, 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 or its ability to repay loans due from time to time. As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Cash flow statement

The Company has taken advantage of the exemption within Financial Reporting Standard 102 1.12(b) not to produce a cash flow statement as the consolidated financial statements of its ultimate parent undertaking are publicly available.

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

c. Financial instruments

The Company has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "Other Financial Instruments Issues" of FRS 102 in full to all of its financial instruments.

Financial assets and liabilities

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Debtors - Amounts owed by group undertakings

Amounts owed by group undertakings: short term debtors, being both amounts due with one year and due after one year, and which do not constitute a financing transaction are initially recognised at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors - Amounts owed to group undertakings

Amounts owed to group undertakings payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at the amortised cost, being the transaction price less any amounts settled.

Amounts owed to group undertakings which are payable in more than one year are initially recorded at the transaction price which is the deemed fair value because on inception the terms of the agreement state that interest is charged at a market rate. Subsequently amounts are measured at the amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

d. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less/(more) than the value at which it is recognised, a deferred tax liability/(asset) is recognised for the additional tax that will be paid/(avoided) in respect of that difference. Similarly, a deferred tax asset/(liability) is recognised for the additional tax that will be avoided/(paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

f. Foreign currencies

Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

g. Revenue recognition

Interest income

Revenue is recognised as interest accrues.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 1, 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 ongoing 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 the Company's accounting policies

The directors identified no critical judgements in applying the Company's accounting policies.

Key sources of estimation uncertainty

The directors identified no sources of estimation uncertainty.

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

3. PROFIT BEFORE TAXATION

The auditor's remuneration for the audit of the financial statements of the Company for the year was £10,449 (2021 - £9,356) was borne by a subsidiary undertaking.

4. DIRECTORS' REMUNERATION

No remuneration was payable to the directors of the Company in either the current or prior year. The directors are considered to be group employees in both the current or prior year and as such are remunerated through a fellow group undertaking. No allocation is made to this entity for their qualifying services.

5. STAFF COSTS

The Company had no employees during the current or prior year.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Group undertakings	1,470	73

7. TAX ON PROFIT

The rate of UK corporation tax for the year is 19% (2021 - 19%).

<i>Current tax</i>	2022 £'000	2021 £'000
UK corporation tax payable at 19% (2021 - 19%)		
UK corporation tax	279	14
Current tax charge on profit for the year	279	14

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below.

Reconciliation of the total tax charge	2022 £'000	2021 £'000
Profit before tax	1,470	73
Tax charge for the year at 19% (2021 - 19%)	279	14
Current tax charge on profit for the year	279	14

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 DEBTORS

	Amounts falling due within one year	
	2022 £'000	2021 £'000
Amounts owed by group undertakings	129,611	128,155

9. CREDITORS: amounts falling due within one year

	2022 £'000	2021 £'000
Corporation tax	1,521	1,256

10. SHARE CAPITAL AND RESERVES

	2022 £	2021 £
Called-up, allotted and fully paid		
1 (2021 - 1) Ordinary shares of £1 each	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

A dividend of £nil was paid in the year (2021 - £5,000,000).

The Company's other reserves comprise:

Profit and loss reserve which represents cumulative profits or losses, net of dividends paid and other adjustments. Included in the account is the following amount:

- In a prior year, the Company sold its investment in Towers Watson (Re) Insurance Brokers Limited for £116,000,000 to a fellow group company in return for an interest bearing loan. The profit arising on the sale of £88,630,000 was determined as realised for the purposes of distributions by the directors.

11. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The Company is a wholly owned subsidiary of Towers Perrin UK Holdings Limited, whose registered office is Watson House, London Road, Reigate, Surrey, RH2 9PQ, England.

The ultimate parent company and controlling entity is Willis Towers Watson plc whose registered office is Willis Towers Watson plc, Willis Towers Watson House, Elm Park, Merrion Road, Dublin DO4 P231, The Republic of Ireland and listed on NASDAQ Global Select Market.

The largest and smallest group into which the Company's financial statements are consolidated is Willis Towers Watson plc.

Consolidated financial statements of Willis Towers Watson plc. for the year ended 31 December 2022 are available on the Willis Towers Watson website at: www.wtwco.com.

TOWERS PERRIN EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage, as a 100% owned subsidiary, of the exemption under Financial Reporting Standard FRS102.33.1A, from disclosure of transactions and balances with group companies. Accordingly, transactions with Willis Towers Watson plc. and its subsidiary undertakings are not disclosed separately.