

Registered number: 10284928

CASCADE REGIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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CASCADE REGIONAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors J B Broad
P F Clayden (resigned 3 August 2018)
J P D'Offay
K A Farrell
I R Hadley

Company secretary C M Valentine

Registered number 10284928

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

CASCADE REGIONAL HOLDINGS LIMITED

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CASCADE REGIONAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

The directors present their Strategic Report for Cascade Regional Holdings Limited ('the Company') for the year ended 31 December 2018. The Company's registration number is 10284928.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated on 18 July 2016 and the prior year comparatives are for a period from 18th July 2016 to 31 December 2017. The prior year comparatives are therefore not directly comparable.

The Company provides certain treasury activities on behalf of Marsh & McLennan Companies, Inc., enables foreign exchange management for the group and acts as an intermediate holding company of a group of companies engaged primarily in insurance broking, reinsurance broking and employee benefits.

The Company's key performance indicators during the year were as follows:

	2018	18 July 2016 to 31 December 2017	Movement	Movement
	\$000	\$000	\$000	%
Turnover	353,000	440,000	(87,000)	(19.8)
Profit on sale of subsidiaries	23,098	-	23,098	0
Amounts written back on investments	47,543	-	47,543	0
Amounts written off Investments	(38,308)	(492,543)	454,235	92.2
Interest payable and similar expenses	(64,196)	(72,815)	8,619	11.8
Profit/(loss) before tax	321,695	(125,692)	447,387	355.9
Shareholders' funds	1,664,208	1,530,949	133,259	8.7

Turnover represents dividends from subsidiary undertakings. Lower dividends were received in 2018 due to the shorter accounting period of 12 months versus 18 months.

In January 2018, the Company transferred the shares of Mercer (Polska) Sp.z o.o., at fair market value, to MMC Regional Europe Holdings BV in exchange for shares issued at a premium. The total consideration was \$40,434,377. The gain on this transaction was \$23,098,000.

Following the annual impairment review of subsidiary undertakings, an impairment reversal of \$47,543,000 has been applied against fixed asset investments that were impaired in the previous period. A further impairment charge of £38,308,000 was provided against the carrying value of the remaining investments (2017 - \$492,543,000).

The Company paid interest on inter-company loans and upon its bonds which were listed on The International Stock Exchange in Guernsey in June 2017.

Shareholders funds increased by \$133,259,000 as a result of profit for the year of \$333,259,000 less dividends paid of \$200,000,000. During the year, the Company issued 500,000,000 ordinary bonus shares, financed by the funds held in the share premium account. The Company then cancelled 500,000,000 ordinary shares and credited the profit & loss account.

CASCADE REGIONAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are those listed below:

Availability of IT systems

The Company has a number of Information Technology (IT) systems in order to carry on its day-to-day business. There is a risk that any of these systems as part of the overall IT infrastructure could fail, individually or collectively, with an adverse effect on the Company's operations. The company is part of the group's global IT structure and there are business continuity plans in place.

Competitive risks

The nature of the current market combined with some very aggressive strategies for competitors puts significant pressure on the Company's operating investments to retain existing business. These businesses mitigate risk by continuing to enhance their value proposition to clients.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main areas where the Company is exposed to credit risk are amounts due from other group companies in respect of inter-company balances and cash; and deposits/investments with bank. The Company mitigates its credit risk in respect of inter-company balances by monitoring the debts created and ability to pay.

The Company mitigates its credit risk for cash by only depositing money in institutions with a sufficiently high credit rating. The credit rating required is that demanded by our ultimate parent company. In addition, the Company has investment guidelines that restrict the amount of the investments portfolio that can be placed with a single institution.

Impairment risk

The Company's principal assets are shares in subsidiary undertakings. There is a risk of loss if the valuations of these subsidiary undertakings were to be impaired for any reason. Factors that may indicate the need for such impairment include changes in financial performance, the loss of business or the loss of key staff.

Interest rate risk

The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company.

In managing interest rate and currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on earnings.

Liquidity/cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when they become due. The Company has group support to enable it to meet its cash requirements. The Company engages with central treasury and finance functions working for Marsh & McLennan Companies, Inc. Group to monitor and control its cash flows and working capital requirements.

CASCADE REGIONAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL RISK AND UNCERTAINTIES (continued)

Outsourcing risk

The Company outsources a number of its services to third party organisations. The ability of the Company to perform efficiently is directly impacted by the services of the third party providers. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators.

Political risk

The Company is subject to local and international economic and political instability. The Company manages this risk through monitoring of the economic environment as part of its ongoing forecasting process.

Management has noted Article 50 of the Treaty of Lisbon (the procedure for a member to leave the European Union ('EU')) after the UK referendum vote on 23 June 2016 to leave the EU. The final impact of leaving the EU on the economy, regulation and political stability is highly uncertain.

The Company has considered the key risks and impact to its business and operations in the event of a no deal Brexit, and, based on a balance of worst case versus likely scenario assumptions, is taking steps to mitigate these. A Brexit Operations Group has been established to collate activities within and across individual lines of business, and across all functional areas to ensure that the Company is Brexit ready and responsive to the Company's clients in the UK, to risks around standards of data protection and the storing and transfer of data between the EU and the UK and the impact on employees and supplies.

This report was approved by the board on 24 September 2019 and signed on its behalf.

Director

JP D'offay



CASCADE REGIONAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on page 1 as is the information that fulfils the Companies Act requirements of the business review. Details of the principle risks and uncertainties are also included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$333,259,000 (2017 - loss \$125,692,000).

As stated in the Strategic Report, the prior year comparatives run from 18 July 2016 to 31 December 2017 and are therefore not directly comparable with the twelve month period ended 31 December 2018.

Dividends of \$200,000,000 were paid in the year (2017 - \$nil).

The directors do not recommend a payment of a final dividend (31 December 2017 - \$nil).

DIRECTORS

The directors who served during the year were:

J B Broad
P F Clayden (resigned 3 August 2018)
J P D'Offay
K A Farrell
I R Hadley

FUTURE DEVELOPMENTS

The activities of the Company as an intermediate holding company are expected to continue for the foreseeable future.

GOING CONCERN

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

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.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity clause 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.

CASCADE REGIONAL HOLDINGS LIMITED

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

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 EVENT

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

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

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


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

AUDITOR

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

This report was approved by the board on 20 September 2019 and signed on its behalf.

Director


J P O'Leary

CASCADE REGIONAL HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

CASCADE REGIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASCADE REGIONAL HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cascade Regional Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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 23.

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.

CASCADE REGIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASCADE REGIONAL HOLDINGS LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

CASCADE REGIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASCADE REGIONAL HOLDINGS LIMITED
(CONTINUED)

Matters on which we are required to report by exception

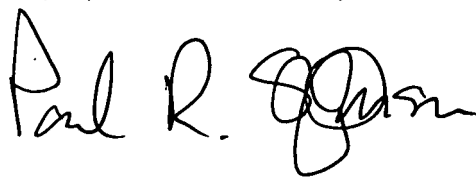
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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: 27/9/19

CASCADE REGIONAL HOLDINGS LIMITED

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

		2018 \$000	18 July 2016 to 31 December 2017 \$000
	Note		
Turnover	4	353,000	440,000
Gross profit		353,000	440,000
Administrative expenses		(13)	(334)
Other operating income	5	23,098	-
Operating profit		376,085	439,666
Amounts written back on investments		47,543	-
Amounts written off investments		(38,308)	(492,543)
Interest receivable and similar income	8	571	-
Interest payable and similar expenses	9	(64,196)	(72,815)
Profit/(loss) before tax		321,695	(125,692)
Tax credit on profit/(loss)	10	11,564	-
Profit/(loss) for the financial year		333,259	(125,692)
Total comprehensive income for the year		333,259	(125,692)

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

The notes on pages 14 to 44 form part of these financial statements.

All transaction derive from continuing operations.

CASCADE REGIONAL HOLDINGS LIMITED
REGISTERED NUMBER: 10284928

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
Fixed assets			
Investments	12	3,586,735	3,554,397
		<u>3,586,735</u>	<u>3,554,397</u>
Current assets			
Debtors: amounts falling due within one year	13	79,565	1
Cash at bank and in hand	14	38,837	4,564
		<u>118,402</u>	<u>4,565</u>
Creditors: amounts falling due within one year	15	(40,929)	(28,013)
Net current assets/(liabilities)		<u>77,473</u>	<u>(23,448)</u>
Total assets less current liabilities		<u>3,664,208</u>	<u>3,530,949</u>
Creditors: amounts falling due after more than one year	16	(2,000,000)	(2,000,000)
Net assets		<u><u>1,664,208</u></u>	<u><u>1,530,949</u></u>
Capital and reserves			
Called up share capital	17	1,658	1,658
Share premium account	18	1,154,983	1,654,983
Profit and loss account	18	507,567	(125,692)
		<u><u>1,664,208</u></u>	<u><u>1,530,949</u></u>

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

24 September 2019



Director

J P O'Farrell

The notes on pages 14 to 44 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

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

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2018	1,658	1,654,983	(125,692)	1,530,949
Comprehensive income for the year				
Profit for the year	-	-	333,259	333,259
Total comprehensive income for the year	-	-	333,259	333,259
Dividends: equity capital	-	-	(200,000)	(200,000)
Shares issued during the year	500,000	(500,000)	-	-
Shares cancelled during the year	(500,000)	-	500,000	-
Total transactions with owners	-	(500,000)	300,000	(200,000)
At 31 December 2018	1,658	1,154,983	507,567	1,664,208

The notes on pages 14 to 44 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

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

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
Comprehensive income for the period				
Loss for the period 18 July 2016 to 31 December 2017	-	-	(125,692)	(125,692)
Total comprehensive income for the period	-	-	(125,692)	(125,692)
Shares issued during the period	1,658	1,654,983	-	1,656,641
Total transactions with owners	1,658	1,654,983	-	1,656,641
At 31 December 2017	1,658	1,654,983	(125,692)	1,530,949

The notes on pages 14 to 44 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

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

1. GENERAL INFORMATION

Cascade Regional Holdings Limited is a company incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the Company Information page. Cascade Regional Holdings Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 3.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

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

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

CASCADE REGIONAL HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; its cash flows and liquidity risk; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

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

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

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

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.5 TURNOVER

Turnover represents dividends received from subsidiaries.

CASCADE REGIONAL HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 INTEREST INCOME

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

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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.

CASCADE REGIONAL HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.10 IMPAIRMENT

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 the Statement of Comprehensive Income as described below.

(i) Financial assets

For the Company's 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 the Company's 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.

(ii) Non-Financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CASCADE REGIONAL HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.10 IMPAIRMENT (CONTINUED)

Internally generated intangible assets arising from the Company's internal system development projects are considered for impairment on a regular basis and those projects that no longer have a useful purpose either by the result of obsolescence or the Company's decision to migrate to other products, will be recognised in the statement of income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

2.11 DEBTORS

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

2.12 CASH AND CASH EQUIVALENTS

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

2.13 CREDITORS

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

2.14 FINANCIAL INSTRUMENTS

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

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

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

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

CASCADE REGIONAL HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (continued)

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.

2.15 DIVIDENDS

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

The Board decides the level of dividend in consultation with and 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.

CASCADE REGIONAL HOLDINGS LIMITED

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

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

Critical accounting judgements and key source 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 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 following is the critical judgement that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment review of fixed asset investments

The Company has an annual process of reviewing its fixed asset investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates, future earnings and consideration of whether there is a willing buyer in the market for these investments.

Impairment and impairment reversals are measured by comparing the carrying values of the asset with its future discounted cash flow. Any impairments that have subsequently been reversed are capped to their historical acquisition cost.

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.

CASCADE REGIONAL HOLDINGS LIMITED

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

4. TURNOVER

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

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Dividends receivable	353,000	440,000
	<u>353,000</u>	<u>440,000</u>

Analysis of turnover by country of destination:

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Bermuda	97,000	390,000
Netherlands	188,000	50,000
United Kingdom	68,000	-
	<u>353,000</u>	<u>440,000</u>

5. OTHER OPERATING INCOME

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Profit on sale of subsidiaries	23,098	-
	<u>23,098</u>	<u>-</u>

In January 2018, the Company transferred the shares of Mercer (Polska) Sp.z.o.o. to MMC Regional Europe Holdings BV, at fair market value for consideration of \$40,434,000. The gain on this transaction was \$23,098,000.

CASCADE REGIONAL HOLDINGS LIMITED

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

6. AUDITOR'S REMUNERATION

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	27	13

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.

7. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2017 - \$nil).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Interest receivable from group companies	317	-
Foreign exchange gains	1	-
Other interest receivable	253	-
	<u>571</u>	<u>-</u>

CASCADE REGIONAL HOLDINGS LIMITED

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

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Interest payable to group undertakings	64,196	72,800
Foreign exchange losses	-	15
	<u>64,196</u>	<u>72,815</u>

10. TAX CREDIT ON PROFIT

	2018 \$000	18 July 2016 to 31 December 2017 \$000
CORPORATION TAX		
Current tax credit on profits for the year	(11,564)	-
	<u>(11,564)</u>	<u>-</u>
TOTAL CURRENT TAX CREDIT	<u>(11,564)</u>	<u>-</u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>
TAX CREDIT ON PROFIT	<u>(11,564)</u>	<u>-</u>

CASCADE REGIONAL HOLDINGS LIMITED

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

10. TAX CREDIT ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CREDIT FOR THE YEAR/PERIOD

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.46%). The differences are explained below:

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Profit/(loss) before tax	<u>321,695</u>	<u>(125,692)</u>
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.46%)	61,122	(24,461)
EFFECTS OF:		
Expenses not deductible for tax purposes	-	95,918
Non taxable reversal of impairment of investments	(1,755)	-
Non-taxable income	(58,539)	-
Dividends from UK companies	(12,920)	-
Exempt intergroup dividend income	-	(85,627)
Other differences leading to an increase (decrease) in the tax charge	528	-
Current period group relief surrendered	-	5,401
Adjustment to closing deferred tax to average rate of 19.46%	-	1,109
Deferred tax not recognised	-	7,660
TOTAL TAX CREDIT FOR THE YEAR/PERIOD	<u><u>(11,564)</u></u>	<u><u>-</u></u>

Non taxable income represents dividends from overseas companies and profit on sale of investment.

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

CASCADE REGIONAL HOLDINGS LIMITED

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

11. DIVIDENDS

	2018 \$000	18 July 2016 to 31 December 2017 \$000
Amounts recognised as distributions to equity holders in the year:		
Interim dividends for the year ended 31 December	<u>200,000</u>	<u>-</u>

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
COST OR VALUATION	
At 1 January 2018	4,046,940
Additions	40,439
Transfers intra group	(17,336)
At 31 December 2018	<u>4,070,043</u>
IMPAIRMENT	
At 1 January 2018	492,543
Charge for the period	38,308
Reversal of impairment	(47,543)
At 31 December 2018	<u>483,308</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,586,735</u>
At 31 December 2017	<u>3,554,397</u>

CASCADE REGIONAL HOLDINGS LIMITED

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

12. FIXED ASSET INVESTMENTS (CONTINUED)

In January 2018, the Company transferred one of its investments, Mercer (Polska) Sp zoo, to a fellow group undertaking, MMC Regional Europe Holdings BV, in exchange for shares issued at a premium. The total consideration was \$40,434,000.

The Company incorporated Oliver Wyman Limited (Greece) in November 2018.

An impairment review has been carried out and as a result a £47,543,000 impairment reversal has been applied against fixed asset investments that were impaired in the previous period. A further impairment charge of £38,308,000 (2017 - \$492,543,000) was provided against the carrying value of the remaining investments.

In the opinion of the directors the aggregate value of investments in the Company's subsidiaries are not less than the amount at which they are included in the statement of financial position.

Details of the Company's subsidiary undertakings at 31 December 2018 are shown below:

Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
A. Constantinidi & CIA. S.C.	Insurance Broking	Uruguay	Common	96.79	Plaza Independencia 721 p.7, Montevideo, 11100, Uruguay
Amal Insurance Brokers Limited	In liquidation	Saudi Arabia	Common	59.4	SABB PO BOX 9084, Dabbab Street, Riyadh 11413, Saudi Arabia
Annison 18 (Pty) Ltd	Investment Company	South Africa	A preference	43.4572	3 Abbottswold Road, Saxonwold 2196, South Africa
BFC Asset Management Co., Ltd	Asset Management	Japan	Ordinary	100	1-12-32 Akasaka, Minato-ku, Tokyo,
Bowring (Bermuda) Investments Ltd	Insurance Broking	Bermuda	Common	100	Victoria Hall, 11 Victoria Street, Hamilton HM 11, Bermuda
Bowring Marsh (Bermuda) Ltd	Insurance Broking	Bermuda	Common	100	Victoria Hall, 11 Victoria Street, Hamilton HM 11, Bermuda
Bowring Marsh (Hong Kong) Limited	Insurance Broking & Consulting	Hong Kong	Common	100	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Bowring Marsh Corretora de Resseguros Ltda	Reinsurance Broking	Brazil	Common	72.9485	Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paulo, SP, 05804-900, Brazil
Companias DeLima S.A.	Holding Company	Colombia	Common	62.1284	Calle 67, Norte No. 6N-85, Cali., Colombia
Consultores 2020 C.A.	Actuarial Consulting, & Advisory Services	Venezuela	Ordinary	100	Av. Francisco de Miranda C/2DA, Avenida Edificio Torre Parque Avila Piso 14, 14-B, Urbanizacion los Palos Grandes, Caracas, Miranda, ZONA POSTAL 1060, Venezuela
DeLima Marsh S.A. - Los Corredores de Seguros S.A.	Insurance Broking	Colombia	Common	62.128	Calle 67, Norte No. 6N-85, Cali., Colombia
Gama Consultores Asociados Ltda	Actuarial Consulting, & Advisory Services	Brazil	Common	100	Torre Norte, DF, Brasil, SALA 118, Brazil
Guy Carpenter & Co. Labuan Ltd	Reinsurance Broking	Malaysia	Common	100	Level 14A, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan F.T., Malaysia
Guy Carpenter & Company Proprietary Limited	Reinsurance Broking	South Africa	Ordinary	100	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Guy Carpenter & Company, Limited	Reinsurance Broking	Hong Kong	Common	100	1401 Hutchison House, 10 Harcourt Road, Hong Kong
Guy Carpenter & Company, S.A.	Reinsurance Broking	Argentina	Common	99.9685	Leandro N. Alem 855, Torre Alem Plaza, floor 12, Buenos Aires, Argentina

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Guy Carpenter Colombia Corredores de Reaseguros Ltda.	Reinsurance Broking	Colombia	Common	62.1283	Avenida El Dorado No 69B-45 Piso 9, Edificio Bogota Corporate Center, Bogota, Colombia
Guy Carpenter Japan, Inc	Reinsurance Broking	Japan	Ordinary	100	Midtown Tower, 9-7-1 Akasaka Minato-Ku, Tokyo, Japan
Guy Carpenter Mexico Intermediario de Reaseguro, S.A. de C.V.	Reinsurance Broking	Mexico	Series A and B	100	Torre Siglum, Av. Insurgentes Sur 1898 - Floors 9, Entre Encanto y Olivo, Col. FI, Delegacion Alvaro Obregón, 01030, Mexico, D.F.
HSBC Insurance Brokers International (Abu Dhabi) LLC	In liquidation	United Arab Emirates	Ordinary	49	PO Box 44183, Abu Dhabi, United Arab Emirates
Ingeseg S.A	Insurance Broking	Argentina	Common	95.8102	Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina
Insbrokers Ltda	Insurance Broking	Uruguay	Common	96.7878	Plaza Independencia 721 p. 7, Montevideo, 11100, Uruguay
Invercol Limited	Holding Company	Bermuda	Common	100	Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda
J&H Marsh & McLennan Limited	Holding Company	Hong Kong	Ordinary	100	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Japan Affinity Marketing, Inc	Insurance Broking	Japan	Ordinary	50.0104	7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan
Mangrove Insurance Europe PCC Limited	Insurance & Reinsurance Broking	Malta	Ordinary	100	The Hedge Business Centre Level 3, Triq ir-Rampa Ta' San Giljan, Balluta Bay, St Julians, STJ 1062, Malta

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh & McLennan Agencies Limited	Insurance Agent	Hong Kong	Ordinary	100	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Marsh & McLennan Agency A/S	Managing General Agent	Denmark	Ordinary	100	Teknikerbyen 1, DK-2830 Virum, Denmark
Marsh & McLennan Argentina SA Corredores de Reaseguros	Reinsurance Broking	Argentina	Ordinary	99.9552	Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina
Marsh & McLennan Global Broking (Bermuda) Ltd	Insurance Broking	Bermuda	Common	100	Victoria Hall, 11 Victoria Street, Hamilton HM 11, Bermuda
Marsh & McLennan Insurance Services Limited	Insurance Agent	Hong Kong	Ordinary	100	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Marsh & McLennan Management Services (Bermuda) Limited	Captive Management	Bermuda	Common	100	Victoria Hall, 11 Victoria Street, Hamilton HM 11, Bermuda
Marsh & McLennan Servicios, S.A. De C.V	Management Consulting	Mexico	Common Class B	99.9992	Liverpool No. 80, Piso 4, Col. Juarez, C.P., 06600, Mexico
Marsh (Bahrain) Company SPC	Insurance Broking and Consulting	Bahrain	Ordinary	100	PO Box 3237, Unitag House, 6th Floor, 150 Government Avenue, Manama, Bahrain
Marsh (Hong Kong) Limited	Insurance Broking & Consulting	Hong Kong	Common	99.8571	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Marsh (Middle East) Limited	Holding Company	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

CASCADE REGIONAL HOLDINGS LIMITED

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

Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh (Namibia) (Proprietary) Limited	Insurance & Reinsurance Broking, Risk Management, Pensions & Employee Benefits Consulting	Namibia	Ordinary	100	Deloitte & Touche, Namdeb Centre, 10 Bulow Street, Windhoek, Namibia
Marsh (Pty) Ltd	Insurance Broking	South Africa	Ordinary	74.9998	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Marsh A/S	Insurance Broking & Risk Management Consulting	Denmark	Ordinary A and B	100	Teknikerbyen 1, DK-2830 Virum, Denmark
Marsh AB	Insurance Broking	Sweden	Ordinary	75	Klara Norra Kyrkogata 29, S - 111 22 Stockholm, Sweden
Marsh AG	Insurance Broking	Switzerland	Ordinary	100	Tessinerplatz 5, 8000 Zurich, Switzerland
Marsh Argentina S.R.L.	Holding Company	Argentina	Ordinary	97.7655	Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina
Marsh Associates (Pty) Ltd	Insurance Broking & Risk Management	South Africa	Ordinary	100	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Marsh Brockman y Schuh Agente de Seguros y de Fianzas, S.A. de C.V.	Insurance Broking	Mexico	Class I and II Series B	99.9999	Avenida, Paseo de la Reforma 505, Piso 13, Col. Cuauhtemoc, C.P. 06500, Mexico D.F.
Marsh Broker Japan, Inc	Insurance Broking	Japan	Ordinary	100	7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan
Marsh Brokers (Hong Kong) Limited	Insurance Broking & Consulting	Hong Kong	Ordinary	100	20th Floor, 108 Gloucester Road, Wanchai, SAR, Hong Kong

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh Company Management Services Cayman Ltd	Captive Management	Cayman Islands	Ordinary	100	23 Lime Tree Bay Avenue, P.O. Box 10051, Grand Cayman, KY1-1102, Cayman Islands
Marsh Compensation Technologies Administration (Pty) Ltd	Claims Administration	South Africa	Ordinary	100	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Marsh Corporate Services (Barbados) Limited	Captive Management	Barbados	Common	100	Whitepark House, White Park Road, St. Michael, Barbados
Marsh Corretora de Seguros Ltda.	Insurance Broking	Brazil	Common	72.9510	Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paulo, SP, 05804-900, Brazil
Marsh d.o.o. Beograd	Insurance Broking	Serbia	Ordinary	100	Omladinskih brigada 88b, 11070, Belgrade, Serbia
Marsh d.o.o. za posredovanje u osiguranju	Insurance Broking	Croatia	Ordinary	100	Ul Grada Vukovara 271, 10000 Zagreb, Croatia
Marsh Egypt LLC	Risk Management & Insurance Consulting	Egypt	Ordinary	100	Nile City, North Tower, Level 17, 2005 C, Cornich El Nile, Cairo, 11221, Egypt
Marsh Emirates Consultancy LLC	Risk Management & Insurance Consulting	United Arab Emirates	Ordinary	49	Al Gurg Tower 3, Mezzanine Floor, Riggat Al Buteen, Deira, Dubai, 64057, United Arab Emirates
Marsh Emirates Insurance Brokerage LLC	Insurance Broking	United Arab Emirates	Ordinary	49	Al Gurg Tower 3, Mezzanine Floor, Riggat Al Buteen, Deira, Dubai, 64057, United Arab Emirates

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh EOOD	Insurance and Pension/Health Funds Broking & Risk Management Consulting	Bulgaria	Ordinary	100	Capital Fort, Body A, Floor 11, 90 Tsarigradsko Shouse Boulevard, Sofia, 1784, Bulgaria
Marsh for Insurance Services - Jordan	Insurance & Reinsurance Broking & Insurance Consulting	Jordan	Ordinary	100	Office No.1, Fourth Floor, South Tower, JIC Building, Third Dawar, Gabal Amman, Jordan
Marsh For Insurance Services S.A.E	Insurance Broking	Egypt	Ordinary	99.9	Nile City, North Tower, Level 17, 2005 C, Cornich El Nile, Cairo, 11221, Egypt
Marsh GSC Servicos e Administracao de Seguros Ltda.	Affinity Platform	Brazil	Common	72.951	Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paulo, SP, 05804-900, Brazil
Marsh Holdings AB	Insurance Broking	Sweden	Ordinary	75	Klara Norra, Kyrkogata 29, S-111 22 Stockholm, Sweden
Marsh Holding (Pty) Limited	Insurance Broking & Risk Management Consulting	South Africa	Ordinary	100	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Marsh i-Connect (Pty) Ltd	Insurer Outsourced Administration Services	South Africa	Ordinary	100	Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa
Marsh Insurance Brokers (Macao) Limited	Insurance Broking	Macau	Ordinary	95.8628	Unit 31, Level 20, AIA Tower, Nos 251-301 Avenida Comercial De Macau, Macau
Marsh Insurance Brokers (Malaysia) Sdn Bhd	Insurance Broking	Malaysia	Common	40	16A (1st Floor) Jalan Tun Sambanthan 3, 50470 Brickfields, Kuala Lumpur, Malaysia

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh Insurance Consulting Saudi Arabia	In liquidation	Saudi Arabia	Ordinary	60	Morouj Tower, 7th Floor, PO Box 53303, Riyadh 11583, Saudi Arabia
Marsh Japan, Inc	Insurance Agent	Japan	Common	100	7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan
Marsh Kft.	Insurance Broking	Hungary	Ordinary	100	Futo u. 47-53, Budapest, H-1082, Hungary
Marsh Kindlustusmaakler AS	Insurance Broking	Estonia	Ordinary	100	Tartu mnt. 118, Tallinn, 10115, Estoni
Marsh LLC Insurance Brokers	Insurance Broking	Greece	Ordinary	96.875	8-10 Sorou & Dimitsanas 15125 Maroussi, Athens, Greece
Marsh Management Services (Bahamas) Ltd	Captive Management	Bahamas	Common	29.9964	M B & H, Corporate Services Ltd., Mareva House, 4 George Street, Nassau, Bahamas
Marsh Management Services (Barbados) Limited	Captive Management	Barbados	Common	100	Whitepark House, White Park Road, St. Michael, Barbados
Marsh Management Services (Bermuda) Ltd	Captive Management	Bermuda	Common	29.9964	Victoria Hall, 11 Victoria Street, Hamilton HM 11, Bermuda
Marsh Management Services (Labuan) Limited	Captive Management	Malaysia	Common	100	Whitepark House, White Park Road, St. Michael, Barbados
Marsh Management Services Cayman Ltd	Captive Management	Cayman Islands	Common	100	Corporate Services Limited, Queensgate House, South Church Street, P.O. Box 1051, George Town, Grand Cayman, Cayman Islands

CASCADE REGIONAL HOLDINGS LIMITED

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

Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh Management Services Sweden AB	Captive Management	Sweden	Ordinary	75	Klara Norra Kyrkogata 29, S - 111 22 Stockholm, Sweden
Marsh Oman LLC	Insurance Broking & Consulting	Oman	Ordinary	70	Post Box 197, Suite No. 220, Hatat House, Mina Al Fahal, Postal Code 116, Oman
Marsh Oy	Insurance Broking & Risk Management Consulting	Finland	Ordinary	100	Ahventie 4B, 02170 Espoo, Finland
Marsh Philippines, Inc	Insurance & Reinsurance Broking	Philippines	Ordinary	99.982	Net Lima Building, 5th Avenue/Corner 26th Street, Bonifacio Global City, Taguig City, Philippines
Marsh Qatar LLC	Insurance Broking & Risk Advisory Services	Qatar	Ordinary	100	The Gate, Tower-2, 9th Floor, Suite 1, West Bay, Doha, PO Box No 22074, Qatar
Marsh Risk and Consulting Services (Pty) Ltd	Insurance Management Services	Namibia	Ordinary	100	Suite 200, Alexander Forbes House, Fidel Castro Ruz, WHK, namibia
Marsh Risk Consulting Ltda.	Risk Management Consulting	Colombia	Common	62.1284	Avenida El Dorado, No. 69A-51 Int. 1, Bogota-Cundinamarca, Colombia
Marsh SA	Insurance Broking	Argentina	Common	98.2044	Florida 234, Piso 2, Buenos Aires, C1005AAF, Argentina
Marsh SA	Insurance Broking	Uruguay	Common	97.76558	Plaza Independencia 721 p. 7, Montevideo, 11100, Uruguay
Marsh Saldana Inc.	Insurance Broking	United States of America	Common Class A	100	701 Ponce de Leon Avenue, Centro de Seguros Building, Suite 303, San Juan Puerto Rico 00907, United States

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**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Marsh Saudi Arabia Insurance & Reinsurance Brokers	Insurance & Reinsurance Broking	Saudi Arabia	Ordinary	60	Morouj Tower, 7th Floor, PO Box 53303, Riyadh 11583, Saudi Arabia
Marsh Services Spolka z.o.o.	Insurance Agent	Poland	Ordinary	100	Al Jerozolimskie 94, 00-807 Warszawa, Poland
Marsh SIA	Insurance Broking	Latvia	Ordinary	100	Dzirnavu Street 37-13, LV-1010 Riga, Latvia
Marsh Spolka z.o.o.	Insurance Broking	Poland	Ordinary	100	Al Jerozolimskie 98, 00-807 Warszawa, Poland
Marsh Szolgaltato Kft	Dormant	Hungary	Ordinary	96.6667	Futo u. 47-53, Budapest, H-1082, Hungary
Marsh Takaful Brokers (Malaysia) Sdn Bhd	Insurance Broking	Malaysia	Ordinary	40	16A (1st Floor) Jalan Tun Sambanthan 3, 50470 Brickfields, Kuala Lumpur, Malaysia
Matthiessen Assurans AB	Insurance Broking	Sweden	Ordinary	100	Klara Norra Kyrkogata 29, S - 111 22 Stockholm, Sweden
Mercer (Argentina) S.A	Consulting Services & Advisory	Argentina	Ordinary	100	Leandro N. Alem 855, Torre Alem Plaza, floor 12, Buenos Aires, Argentina
Mercer (Austria) GmbH	Consulting Services & Advisory	Austria	Common	100	Millennium Tower, Handelskai 94-96, 1200 Vienna, Vienna, Austria
Mercer (Belgium) SA-NV	Consulting Services & Advisory	Belgium	Common	100	Avenue Hermann-Debrouxlaan 2, 1160, Brussels, Belgium
Mercer (Colombia) Ltda	Consulting Services & Advisory	Colombia	Common	62.1281	Carrera 69 No. 25b-44, Piso 2, Edificio World Business Port, Bogota-Cundinamarca, Colombia

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Mercer (Danmark) A/S	Consulting Services & Advisory	Denmark	Common	100	Teknikerbyen 25, DK - 2830 Virum, Denmark
Mercer (Finland) OY	Consulting Services & Advisory	Finland	Ordinary	100	Keilaranta 10, 02150 ESPOO, Finland
Mercer (Malaysia) Sdn. Bhd.	Consulting Services & Advisory	Malaysia	Ordinary	100	Suite 17.06, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Mercer (Norge) AS	Consulting Services & Advisory	Norway	Ordinary	100	AS Karenslyst Alle, 20 0278 Oslo, Norge, Norway
Mercer (Polska) Sp.z o.o. *	Consulting Services & Advisory	Poland	Ordinary	100	Al. Jerozolimskie 98, 00-807, Warsaw, Poland
Mercer (Sweden) AB	Consulting Services & Advisory	Sweden	Ordinary	100	Klara Norra Kyrkogata 29, S - 111 22 Stockholm, Sweden
Mercer Asesores de Seguros S.A.	Insurance Broking	Argentina	Common	99.9667	Leandro N. Alem 855, Torre Alem Plaza, floor 12, Buenos Aires, Argentina
Mercer Consulting Holdings Sdn. Bhd.	Consulting Services & Advisory	Malaysia	Ordinary	100	Level 11, 1 Sentral, 50470 Jalan Rakyat, Kuala Lumpur, Malaysia
Mercer Consulting Middle East Limited	Consulting Services & Advisory	United Arab Emirates	Ordinary	100	Office 01B, Level 5, Gate Precinct Building 2, P O Box 215306, Dubai International Finance Centre, Dubai, United Arab Emirates
Mercer Corretora de Seguros Ltda	Insurance Broking	Brazil	Common	100	Av. Dr. Chucuri Zaidan, 920, 4th floor (part), 10th floor (part), 11th floor, Jardim Morumbi, Sao Paulo, SP, 05655, Brazil

CASCADE REGIONAL HOLDINGS LIMITED

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

Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Mercer Financial Services Limited Liability Company	Consulting Services and Advisory	Morocco	Ordinary	100	Angle Bd Yaacoub El Mansour et rue Socrate, lot n05, residence Masurel, etage-Casablanca, Morocco
Mercer Financial Services Middle East Limited	Consulting Services & Advisory	United Arab Emirates	Ordinary	100	Office 01B, Level 5, Gate Precinct Building 2, P O Box 215306, Dubai International Finance Centre, Dubai, United Arab Emirates
Mercer Holdings, Inc.	Holding Company	Philippines	Class A and B	99.96	19F, Citibank Center, Paseo de Roxas cor. Villar St, Makati City, Metro Manila, Philippines
Mercer Human Resource Consulting Ltda	Consulting Services & Advisory	Brazil	Common	100	Av. Dr. Chucuri Zaidan, 920, 4th floor (part), 10th floor (part), 11th floor, Jardim Morumbi, Sao Paulo, SP, 05655, Brazil
Mercer Human Resource Consulting S.A. de C.V.	Consulting Services & Advisory	Mexico	Common	99.9999	Avenida, Paseo de la Reforma 505, Pisos 10 al 14, Col. Cuauhtemoc, C.P. 06500, Mexico D.F.
Mercer Investment Solutions Ltd	Asset Management	Japan	Common	100	3-7-1 Nishi-Shinjuku, Shinjuku-Ku, Tokyo, Japan
Mercer Investments (Japan) Ltd	Asset Management	Japan	Common	100	Midtown Tower, 9-7-1 Akasaka Minoto-Ku, Tokyo, 107-6216, Japan
Mercer Japan Ltd	Consulting Services & Advisory	Japan	Ordinary	100	33rd Floor, Tokyo Opera City Tower, 3-20-2, Nishi-Shinjuku, Shinjuku-Ku, Tokyo, 163-1433, Japan

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Mercer Korea Co. Ltd	Consulting Services & Advisory	South Korea	Common	100	358 Gangnam,-daero, 826-14, Yeoksam-dong, Gangnam-gu, Seoul, 135-769, Korea
Mercer Pensionsraadgiving A/S	Insurance Broking	Denmark	Ordinary	100	Teknikerbyen 25, DK-2830 Virum, Copenhagen, Denmark
Mercer Philippines, Inc.	Consulting Services & Advisory	Philippines	Common and Preferred	99.9396	19F, Citibank Center, Paseo de Roxas cor. Villar St, Makati City, Metro Manila, Philippines
Mercer South Africa (Pty) Limited	Consulting Services & Advisory	South Africa	Ordinary	100	Brooklyn House, 3rd Floor, 189 Clark Street, Brooklyn, Pretoria, 0181, South Africa
Mercer Switzerland Inc	Consulting Services & Advisory	Switzerland	Ordinary	100	Tessinerplatz 5, 8002 Zurich, Switzerland
Mercer, Agente de Seguros, S.A. de C.V	Insurance Broking	Mexico	Series B	99.9833	Avenida, Paseo de la Reforma 505, Pisos 10 al 14, Col. Cuauhtemoc, C.P. 06500, Mexico D.F.
MMB Consultores S.A. (formerly Mercer Marsh Beneficios S.A.)	Advisory, Management and Business Management Services	Argentina	Ordinary	98.1907	Florida 234, 2 Floor, Cap. Fed. C1005AAF. Argentina
MMC Brazilian Holdings B.V.	Holding Company	Netherlands	Ordinary	100	Conradstraat 18, 3013 AP Rotterdam, Netherlands
MMC Group Services sp. z o.o.	Services Company	Poland	Ordinary	100	Prosta 68 Street, 00-838 Warsaw, Poland
MMC Middle East Holdings Limited *	Holding Company	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

CASCADE REGIONAL HOLDINGS LIMITED

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

Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
MMC Poland Holdings B.V	Holding Company	Netherlands	Ordinary	100	Conradstraat 18, 3013 AP Rotterdam, Netherlands
MMC Regional Asia Holdings B.V. *	Holding Company	Netherlands	Ordinary	100	Conradstraat 18, 3013 AP Rotterdam, Netherlands
MMC Regional Caribbean Holdings, Ltd. *	Holding Company	Bermuda	Common	100	Codan Services Limited, Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda
MMC Regional Europe Holdings B.V. *	Holding Company	Netherlands	Ordinary	100	Conradstraat 18, 3013 AP Rotterdam, Netherlands
MMC Regional LATAM Holdings B.V.*	Holding Company	Netherlands	Ordinary	100	Conradstraat 18, 3013 AP Rotterdam, Netherlands
Oliver Wyman Consultoria em Estrategia de Negocios Ltda.	Management Consulting	Brazil	Common	72.2594	Av. Das Nacoes Unidas, 12901, Torre Norte - 33rd Andar, Sao Paulo, SP, 04578-903, Brazil
Oliver Wyman Group KK	Management Consulting	Japan	Common	100	The Imperial Hotel Tower 13F, 1-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo, 100-0011, Japan
Oliver Wyman Limited Liability Company*	Management Consulting	Greece	Ordinary	100	56 Ermou St, Athens, 10563, Greece
Oliver Wyman S.A.S.	Management Consulting	Colombia	Common	62.1284	AV. El Dorado, No. 69B - 45, piso 10, Bogota, Colombia, Colombia
Organizacion Brockman y Schuh S.A. de C.V	Holding Company	Mexico	Class I and II Series B	100	Avenida, Paseo de la Reforma 505, Pisos 10 al 14, Col. Cuauhtemoc, C.P. 06500, Mexico D.F.

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary	Principal Activity	Country of Incorporation	Class of share	% held and voting rights	Registered Office Address
Pallas Marsh Servicos Ltda	Insurance Broking	Brazil	Common	100	Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paolo, SP, 05804-900, Brazil
Pensionservice Benefit Network Sverige AB	Dormant	Sweden	Ordinary	100	Klara Norra Kyrkogata 29, Stockholm, Sweden
Rightpath Reinsurance SPC, Ltd	Captive Reinsurance	Cayman Islands	Ordinary	100	PO Box 1051, 23 Lime Tree Bay Avenue, Governors Square Building 4, 2nd floor, Grand Cayman KY1-1102, Cayman Islands
SCIB (Bermuda) Limited	Holding Company	Bermuda	Common	100	Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda
Sedgwick Forbes Middle East Limited	Holding Company	Jersey	Ordinary	100	Fifth Floor, 37 Esplanade, St Helier, JE1 2TR, Jersey
Sedgwick Private Limited	Insurance & Reinsurance Broking	Singapore	Ordinary	100	8 Marina View #09-05, Asia Square Tower 1, Singapore, 018960, Singapore
Sedgwick Re Asia Pacific (Consultants) Pte Ltd	For Dissolution	Singapore	Ordinary	100	8 Marina View #09-02, Asia Square Tower 1, Singapore, 018960, Singapore
UAD BB Marsh Lietuva	Insurance Broking	Lithuania	Common	100	Olimpieciu 1-56, LT - 09235 Vilnius, Lithuania
Victoria Hall Company Limited	Holding Company	Bermuda	Common	20	30 Parliament Street, Hamilton HM HX, Bermuda
William M. Mercer AB	Holding Company	Sweden	Ordinary	100	Klara Norra Kyrkogata 29, S - 111 22 Stockholm, Sweden
Directly held *					

CASCADE REGIONAL HOLDINGS LIMITED

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

13. DEBTORS

	2018	2017
	\$000	\$000
Amounts falling due within one year		
Amounts owed by group undertakings	68,103	1
Amounts recoverable from group companies in respect of taxation	11,462	-
	<u>79,565</u>	<u>1</u>

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

14. CASH AND CASH EQUIVALENTS

	2018	2017
	\$000	\$000
Cash at bank and in hand	38,837	4,564
	<u>38,837</u>	<u>4,564</u>

15. CREDITORS: Amounts falling due within one year

	2018	2017
	\$000	\$000
Amounts owed to group undertakings	40,929	28,013
	<u>40,929</u>	<u>28,013</u>

Included within amounts owed to group undertakings is a loan of \$12,578,000 which attracts an interest rate of 3.6746% and is repayable 26 April 2019 and accrued interest of \$28,000,000 relating to the \$2,000,000,000 loan note at a rate of 3.15%. The interest is repayable 24 July 2019.

16. CREDITORS: Amounts falling due after more than one year

	2018	2017
	\$000	\$000
Amounts owed to group undertakings	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

The \$2,000,000,000 (2017 - \$2,000,000,000) loan note has an interest rate of 3.15% and is repayable on 11 November 2021. The loan note is listed on The International Stock Exchange in Guernsey.

CASCADE REGIONAL HOLDINGS LIMITED

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

17. SHARE CAPITAL

	2018	2017
	\$000	\$000
Allotted, called up and fully paid		
1,641,247 (2017 - 1,641,247) Ordinary shares of \$1.00 each	1,641	1,641
16,393 (2017 - 16,393) Ordinary A shares of \$1.00 each	17	17
	<hr/>	<hr/>
	1,658	1,658
	<hr/>	<hr/>

The share capital of the Company consists of fully paid ordinary shares and ordinary A shares, each 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.

During the year, the Company issued 500,000,000 ordinary bonus shares, financed by the funds held in the share premium account. The Company then cancelled 500,000,000 ordinary shares and credited the profit & loss account.

18. RESERVES

Share premium account

The share premium reserve represents the additional consideration received for the issue of shares during the prior period.

Profit and loss account

The profit and loss reserve represents cumulative profit and losses, net of any dividends paid and other adjustments.

19. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 s33.1A not to disclose transactions between entities within the Marsh Group, where no less than 100% of voting rights are controlled within the Marsh & McLennan Companies, Inc. Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

20. CONTINGENT LIABILITIES

The Company participates in a notional cash pooling arrangement with a bank. Each member of the pool guarantees against losses incurred as a result of the failure of any other pool member. The maximum exposure to the Company is the total amount of its pooled funds at any point in time. As at 31 December 2018 the Company had a balance of £38.8 million (2017 - \$4.6 million) in the pool. All other members of the pooling arrangements are companies owned ultimately by Marsh & McLennan Companies, Inc.

CASCADE REGIONAL HOLDINGS LIMITED

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

21. GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 of the Companies Act 2006 as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

22. POST BALANCE SHEET EVENT

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

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

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

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

CASCADE REGIONAL HOLDINGS LIMITED

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

23. CONTROLLING PARTY

The immediate parent company is MMC Cascade Regional Holdings LLC, registered in the state of Delaware, USA. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in Delaware, USA.

The smallest and largest Group in which the results of Cascade Regional Holdings Limited are consolidated is that headed by Marsh & McLennan Companies, Inc., whose registered office address is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA. 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