

Registered Number: 10284928

CASCADE REGIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CASCADE REGIONAL HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

D Bearman (appointed 1 February 2022)
J B Broad
J P D'Offay (resigned 11 February 2022)
K Filipkowski (appointed 2 June 2023)
I R Hadley (resigned 1 February 2022)
S Saxby (resigned 26 May 2023)

COMPANY SECRETARY Marsh Secretarial Services Limited

REGISTERED NUMBER 10284928

REGISTERED OFFICE

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

CASCADE REGIONAL HOLDINGS LIMITED

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CASCADE REGIONAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The Directors present their Strategic Report for Cascade Regional Holdings Limited ("the Company") for the year ended 31 December 2022. The Company's registration number is 10284928.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is part of the Marsh and McLennan Companies, Inc. group of companies ('MMC' or 'the Group'). It 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.

During the year there was continued review of future activities of the direct subsidiaries of the Company as part of a plan by MMC to simplify its corporate structure and reduce the number of companies in the Group. As part of this review five subsidiary companies were consolidated into one UK holding company. The Company expects to continue as a treasury and intermediate holding company.

During the year, the Company bought assets and liabilities of another group undertaking in exchange for \$1,000 ordinary shares with a premium of \$240,160,000.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators during the year were as follows, compared to 2021:

| | 2022 | <i>2021</i> | Movement | Movement |
|---------------------------------------|------------------|------------------|-----------|----------|
| | \$000 | <i>\$000</i> | \$000 | % |
| Dividend income | 556,000 | <i>500,079</i> | 55,921 | 11 % |
| Interest payable and similar expenses | (54,756) | <i>(63,041)</i> | 8,285 | 13 % |
| Profit before tax | 501,291 | <i>437,272</i> | 64,019 | 15 % |
| Shareholders' funds | 6,235,534 | <i>2,596,867</i> | 3,638,667 | 140 % |

Dividends received in the year were higher in 2022 at \$556,000,000, compared to \$500,079,000 in 2021.

An impairment review carried out in the year determined that no impairment of the carrying value of fixed asset investments was required (*2021 - \$nil*).

The Company paid interest at a similar level to the prior year on its inter-company loan note which was listed on The International Stock Exchange in Guernsey.

The Company reported a profit for the financial year after taxation of \$511,222,000 (*2021: \$470,287,000*).

An interim dividend of \$500,000,000 was paid on the ordinary shares during the year (*2021: \$nil*).

Shareholders' funds increased by \$3,638,667,000 as a result of profit after tax for the year of \$511,222,000, \$3,387,284,000 gain on transfer of shares and \$240,161,000 shares issued during the year, which is partially offset by the dividends paid of \$500,000,000.

CASCADE REGIONAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT

The below paragraphs provide an explanation as to how the Company's directors have had regard to the matters set out in section 172(1)(a) to (f) of the Act when performing their duties. This includes how the directors have engaged with and considered the interests of various stakeholders including its shareholder, employees, clients, suppliers, the community and those in a principal business relationship with the Company.

Duty to Promote the Success of the Company

The Directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm, with consideration for the interests of other stakeholders.

The Company forms part of the Marsh & McLennan Companies, Inc. Group of Companies, a global professional services provider, specialising in the areas of risk, strategy and people. It acts as an intermediate holding company and its activities are aligned to the strategy and risk management and control frameworks of the Group.

The Board meets on an ad hoc basis throughout the year to consider matters within its remit.

Shareholder

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, Marsh & McLennan Companies Inc., and the interests of the Group, as part of any major decisions and transactions undertaken by the Company. The directors provide the primary channel of communication between the Company, its ultimate shareholder and the wider Group.

Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out on page 23 under the Notes to the Financial Statements.

The Greater Good, which is the Marsh McLennan Group's Code of Conduct, applies to all directors and employees of the Company and it embodies the Group's commitment to maintaining a reputation for the highest standards of business and ethical conduct. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community.

Clients

The Company is an intermediate holding company within the Group and does not have external clients.

Employees

The Company does not have any employees. Members of the Board are employed by other Group companies.

Suppliers

The Group is committed to ensuring that slavery and human trafficking is not taking place in any of the Group's supply chains or any part of its business, and has in place a Modern Slavery Policy which has been rolled out to all colleagues, and incorporated into the Group's induction programme. All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of contracting agreements and the Group's Global Sourcing and Procurement team ('GSP') issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT (continued)

Community

The Company and the Group as a whole, recognise that in a world facing increasing risk and uncertainty, supporting our communities is more important now than ever before. Given the Group's expertise in risk, strategy and people, social impact efforts are focused on building resilient communities through mentoring and disaster response and rebuilding. By aligning its social impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business.

In 2022, the Group partnered with select strategic global non-profit organisations including Ambitious About Autism and Blueprint for All.

The Group has developed climate initiatives which represent a tangible step toward building a more sustainable environment for colleagues, clients, shareholders and future generations.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

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

Impairment risk

As an intermediate holding entity, the Company is reliant on positive trading results from its active subsidiaries to ensure dividend income is received and impairments in the carrying value of its investments are not required. The results of the trading subsidiaries are subject to a number of risks, including competition from other providers, outsourcing of key tasks, availability of IT systems, cyber attacks and political events such as the situation in Ukraine. The Company's subsidiary undertakings mitigate these risks through a number of approaches including regular review and enhancement of the offering to clients to mitigate the risk of loss of business to competitors and active communication with Group IT functions and colleague training and awareness campaigns as well as regular patching and security updates to mitigate the risk of availability of IT systems and cyber attack. The risk of outsourcing is mitigated through monitoring of contracts and deliveries against agreements and key performance indicators and political risk is assessed through regional and Group level dedicated incident management forums, aligning the Company's responses to both local governmental and Group corporate guidance. Ongoing risk assessments continue to monitor all the enterprise risk categories to support executive decision making.

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.

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

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 engages with central treasury and finance functions working for Group to monitor and control its cash flows and working capital requirements.

This report was approved by the board and signed on its behalf on 11 December 2023



J B Broad
Director

CASCADE REGIONAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

PRINCIPAL ACTIVITIES

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 principal risks and uncertainties are also included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$511,222,000 (2021: \$470,287,000).

The Company paid an interim dividend of \$500,000,000 in the year (2021: \$nil). The directors do not recommend the payment of a final dividend.

Donation to charitable organisations in the United Kingdom totalled \$nil (2021: \$nil).

DIRECTORS

The directors who served during the year were:

D Bearman (appointed 1 February 2022)

J B Broad

J P D'Offay (resigned 11 February 2022)

I R Hadley (resigned 1 February 2022)

S Saxby (resigned 26 May 2023)

The following director was appointed after the end of the year:

K Filipkowski (appointed 2 June 2023)

FUTURE DEVELOPMENTS

The activities of the Company as a treasury and 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 after signing the financial statements and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company continues to monitor the uncertainty in the current economic and business environment and the directors are satisfied that the Company can continue in operational existence.

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 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.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION

The Company consumed less than 40MWh in the UK for the 12 months ended 31 December 2022. As a result of meeting that criteria, the Company itself is not required to make the detailed energy and carbon reporting disclosures included within the Environmental Reporting Guidelines. Where appropriate, stream-lined energy and carbon reporting disclosures are made and can be found in the financial statements of companies it owns as fixed asset investments.

CASCADE REGIONAL HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

EVENTS AFTER THE REPORTING PERIOD

The Company declared dividend to its parent company of \$340,000,000 after the Statement of Financial Position date.

AUDITOR

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting. The auditor is deemed to be reappointed under section 487(2 of the Companies Act 2006).

This report was approved by the board and signed on its behalf on 11 December 2023



J B Broad
Director

CASCADE REGIONAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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, subject to any material departures disclosed and explained in the financial statements; 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 CASCADE REGIONAL HOLDINGS LIMITED

Report on the audit of the financial statements

1. 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 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 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).

2. 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matter that we identified in the current year was:

- Valuation of unlisted investments

Materiality

The materiality that we used in the current year was \$187m (2021 - \$77.3m) which was determined on the basis of 3% of net assets.

Scoping

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Significant changes in our approach

There have been no significant changes in our audit approach.

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

4. 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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- assessing market altering factors by looking at the operational impact and business continuity plans;
- evaluating management's projections for the subsequent 12-month period from the date of signing for reasonableness, including an assessment of management's stress testing; and
- assessing the appropriateness of the going concern disclosures included within the financial statements.

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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation of unlisted investments

Key audit matter description

The company has unlisted investments of \$7.99bn (2021: \$4.19bn) as at 31 December 2022, valued at cost less provision for impairment. These investments comprise investments in subsidiary companies and are highly material to the company as they account for 99% of total assets (2021: 95%).

Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. The investments in subsidiaries were measured based on the fair values of the cash generating units representing these investments, which were valued using discounted cash flow analysis and the market approach. This takes into consideration a range of factors such as the trading performance, discount rates, control premium, forecast future cash flows, revenue and EBITDA multiples and performance against the market.

Further details are included within note 3 (Critical accounting estimates and judgements) and note 11 (Investments) to the financial statements.

How the scope of our audit responded to the key audit matter

We have obtained an understanding of and assessed the design and implementation of relevant controls related to the valuation of unlisted investments.

We assessed and challenged the assumptions underpinning the valuation of the investments including revenue and EBITDA growth rates, discount rates, control premium, and forecast future cash flows. We tested the recoverability of the investments in subsidiaries that is supported by its fair value by evaluating management's valuation methodology against the requirements of FRS102.

We involved internal valuation specialists to challenge key inputs including revenue, EBITDA multiples, control premium and cost of disposal by benchmarking inputs against external data. We have performed sensitivity analysis as part of our testing procedures in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

CASCADE REGIONAL HOLDINGS LIMITED

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

We also assessed on a sample basis the historical accuracy of management's forecasts by comparing the actual results to forecasts.

We have tested the inputs into the managements model and the mathematical accuracy of the valuation model used.

Key observations

Based on the work performed we concluded that the valuation of unlisted investments is appropriate.

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality

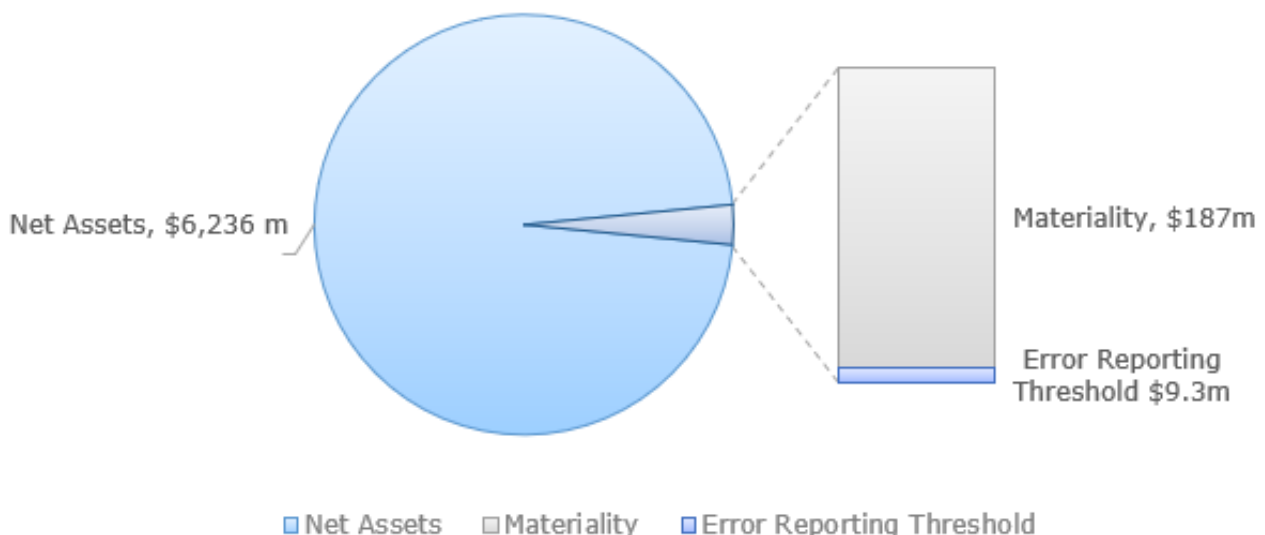
\$187m (2021: \$77.3m)

Basis for determining materiality

3% of net assets (2021: 3% of net assets)

Rationale for the benchmark applied

Cascade's principal activity is providing and receiving loans from other group companies and making investments to increase its assets base. We determined materiality based on net assets as the most appropriate basis as this is the key metric used by management for its capital investment activities.



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

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 70%). In determining performance materiality, we considered the following factors:

- a. Our past experience with the audit, which has indicated a low number of uncorrected misstatements in prior periods; and
- b. Our risk assessment, including our assessment of the company's overall control environment.

6.3 Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of \$9.35m (2021: \$3.86m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. 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.

9. Responsibilities of directors

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

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

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

10. 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.

11. 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.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that 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.

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

11.2 Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including Internal Specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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 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 strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

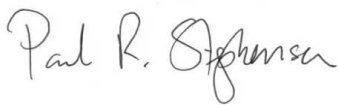
We have nothing to report in respect of this matter.

CASCADE REGIONAL HOLDINGS LIMITED

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

14. 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: 11 December 2023

CASCADE REGIONAL HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 | 2021 |
|--|-------------|-------------------------|-----------------------|
| | | \$000 | \$000 |
| Dividend income | 4 | <u>556,000</u> | <u>500,079</u> |
| Gross profit | | 556,000 | 500,079 |
| Administrative expenses | | <u>(196)</u> | <u>(67)</u> |
| Operating profit | | 555,804 | 500,012 |
| Interest receivable and similar income | 7 | 243 | 301 |
| Interest payable and similar expenses | 8 | <u>(54,756)</u> | <u>(63,041)</u> |
| Profit before tax | | 501,291 | 437,272 |
| Tax on profit | 9 | <u>9,931</u> | <u>33,015</u> |
| Profit for the financial year | | <u>511,222</u> | <u>470,287</u> |
| Gain on transfer of shares | 10 | <u>3,387,284</u> | <u>–</u> |
| Other comprehensive income for the year | | <u>3,387,284</u> | <u>–</u> |
| Total comprehensive income for the year | | <u>3,898,506</u> | <u>470,287</u> |

All transactions derive from continuing operations.

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 19 to 40 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

REGISTERED NUMBER: 10284928

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 \$000 | 2021 \$000 |
|---|------|--------------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 11 | <u>7,995,077</u> | <u>4,193,626</u> |
| | | 7,995,077 | 4,193,626 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 48,167 | 113,188 |
| Cash at bank and in hand | 13 | <u>–</u> | <u>98,423</u> |
| | | 48,167 | 211,611 |
| Creditors: amounts falling due within one year | 14 | <u>(7,710)</u> | <u>(8,370)</u> |
| Net current assets | | <u>40,457</u> | <u>203,241</u> |
| Total assets less current liabilities | | 8,035,534 | 4,396,867 |
| Creditors: amounts falling due after more than one year | 15 | (1,800,000) | (1,800,000) |
| Net assets | | <u><u>6,235,534</u></u> | <u><u>2,596,867</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 1,659 | 1,658 |
| Share premium account | 18 | 1,395,143 | 1,154,983 |
| Non distributable reserve | 18 | 3,387,284 | – |
| Profit and loss account | 18 | <u>1,451,448</u> | <u>1,440,226</u> |
| | | <u><u>6,235,534</u></u> | <u><u>2,596,867</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2023



J B Broad
Director

The notes on pages 19 to 40 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Called up share capital \$000 | Share premium account \$000 | Non distributable capital reserve \$000 | Profit and loss account \$000 | Total equity \$000 |
|--|-------------------------------------|--------------------------------------|---|-------------------------------------|-----------------------|
| At 1 January 2022 | 1,658 | 1,154,983 | – | 1,440,226 | 2,596,867 |
| Profit for the year | – | – | – | 511,222 | 511,222 |
| Gain on transfer of shares | – | – | – | 3,387,284 | 3,387,284 |
| Total comprehensive income for the year | – | – | – | 3,898,506 | 3,898,506 |
| Dividends paid | – | – | – | (500,000) | (500,000) |
| Shares issued during the year | 1 | 240,160 | – | – | 240,161 |
| Transfer to/from profit and loss account | – | – | 3,387,284 | (3,387,284) | – |
| Total transactions with owners | 1 | 240,160 | 3,387,284 | (3,887,284) | (259,839) |
| At 31 December 2022 | <u>1,659</u> | <u>1,395,143</u> | <u>3,387,284</u> | <u>1,451,448</u> | <u>6,235,534</u> |

The notes on pages 19 to 40 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Called up share capital \$000 | Share premium account \$000 | Profit and loss account \$000 | Total equity \$000 |
|----------------------------|-------------------------------------|--------------------------------------|-------------------------------------|-----------------------|
| At 1 January 2021 | 1,658 | 1,154,983 | 969,939 | 2,126,580 |
| Profit for the year | — | — | 470,287 | 470,287 |
| At 31 December 2021 | 1,658 | 1,154,983 | 1,440,226 | 2,596,867 |

The notes on pages 19 to 40 form part of these financial statements.

CASCADE REGIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 GENERAL INFORMATION

Cascade Regional Holdings Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the 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 and the directors' report on pages 1 to 6.

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 11.42, 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.

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies Inc. as at 31 December 2022 and these financial statements may be obtained from the address in note 23.

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

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2.4 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the business review which forms part of the Strategic Report.

The Company meets its day-to-day working capital requirements from corporate revolving loan facilities. The Company continues to monitor the uncertainty in the current economic and business environment. This monitoring and analysis considered our business resilience and continuity plans of the Company's investments and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity in relation to revenue and certain costs, for a 12-month period, so that the potential impact on profitability and liquidity could be assessed.

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

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

2.5 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 DIVIDEND INCOME

Represents dividends received from subsidiaries. Dividends are accounted for when declared.

2.7 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.8 FINANCE COSTS

Finance costs are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2.9 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.10 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 statement of financial position 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.

2.11 IMPAIRMENT

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

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.

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.

CASCADE REGIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.11 IMPAIRMENT (CONTINUED)

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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2.15 FINANCIAL INSTRUMENTS (CONTINUED)

Investments in non-derivative instruments that are equity to the issuer are measured:

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

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

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

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

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

2.16 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in Dollar, 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, or consideration of, various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend is 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

Critical judgements in applying 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 has the most significant effect on the amounts recognised in the financial statements.

Impairment of fixed assets investments

The Company has an annual process of reviewing its fixed assets investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates and future earnings.

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 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 2022**

4 DIVIDEND INCOME

| | 2022 | 2021 |
|----------------------|-----------------------|-----------------------|
| | \$000 | \$000 |
| Dividends receivable | <u>556,000</u> | <u>500,079</u> |
| | <u>556,000</u> | <u>500,079</u> |

| | 2022 | 2021 |
|-------------------|-----------------------|-----------------------|
| | \$000 | \$000 |
| United Kingdom | 556,000 | 43,800 |
| Rest of Europe | – | 241,000 |
| Rest of the world | – | 215,279 |
| | <u>556,000</u> | <u>500,079</u> |

5 AUDITOR'S REMUNERATION

| | 2022 | 2021 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | <u>22</u> | <u>28</u> |

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.

6 EMPLOYEES

The Company has no employees in the current or prior year.

7 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | \$000 | \$000 |
| Interest receivable from group undertakings | <u>243</u> | <u>301</u> |
| | <u>243</u> | <u>301</u> |

8 INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 | 2021 |
|--|----------------------|----------------------|
| | \$000 | \$000 |
| Interest payable to group undertakings | <u>54,756</u> | <u>63,041</u> |
| | <u>54,756</u> | <u>63,041</u> |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 TAX ON PROFIT

| | 2022 | <i>2021</i> |
|--|-----------------------|------------------------|
| | \$000 | <i>\$000</i> |
| CORPORATION TAX | | |
| Current tax on profits for the year | (440) | <i>(215)</i> |
| Adjustments in respect of previous periods | – | <i>(17,098)</i> |
| TOTAL CURRENT TAX | <u>(440)</u> | <i><u>(17,313)</u></i> |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | (12,300) | <i>(15,702)</i> |
| Adjustments in respect of previous periods | 2,809 | – |
| TOTAL DEFERRED TAX | <u>(9,491)</u> | <i><u>(15,702)</u></i> |
| TAX ON PROFIT | <u>(9,931)</u> | <i><u>(33,015)</u></i> |

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year is lower than (*2021 - lower than*) the standard rate of corporation tax in the UK of 19.0% (*2021 - 19.0%*). The differences are explained below:

| | 2022 | <i>2021</i> |
|---|-----------------------|-----------------------|
| | \$000 | <i>\$000</i> |
| Profit/(Loss) before tax | <u>501,291</u> | <i><u>437,272</u></i> |
| Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 19% (<i>2021 - 19%</i>) | 95,245 | <i>83,081</i> |

EFFECTS OF :

| | | |
|---|-----------------------|------------------------|
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 19 | – |
| Adjustments to tax charge in respect of prior periods | 2,809 | <i>(17,098)</i> |
| Non-taxable income | – | <i>(95,015)</i> |
| Dividends from UK companies | (105,640) | – |
| Other differences leading to a decrease in the tax charge | (3,392) | <i>(3,983)</i> |
| Group relief for nil consideration | 19 | – |
| Deferred tax not recognised | 1,009 | – |
| TOTAL TAX CREDIT FOR THE YEAR | <u>(9,931)</u> | <i><u>(33,015)</u></i> |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 TAX ON PROFIT (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK Corporation Tax rate increased from 19% to 25% with effect from 1 April 2023.

The OECD's 'Pillar 2' is a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups, which could impact the tax charge of the Company in future periods. Within Finance (No. 2) Act 2023, which received Royal Assent on 11 July 2023, the UK Government has included legislation governing how Pillar 2 is intended to operate in the UK. The UK Government has committed to the implementation of these rules for accounting periods beginning on or after 31 December 2023. The legislation includes a qualified domestic minimum top-up tax, which will impose a top-up tax in the UK on low-taxed UK profits. The Group continues to review the legislation to better understand the impact. This legislation was not substantively enacted at 31 December 2022, and therefore has no impact upon the Company's income statement or balance sheet.

10 GAIN ON TRANSFER OF SHARES

| | 2022 | <i>2021</i> |
|----------------------------|-------------------------|--------------|
| | \$000 | <i>\$000</i> |
| Gain on transfer of shares | 3,387,284 | – |
| | <u>3,387,284</u> | <u>–</u> |

In April 2022, the Company made a gain which resulted from the sale of most of its investments in subsidiaries and some of its assets and liabilities to one of its own subsidiary undertakings, consideration for which was in the form of new shares in that company at a fair market value of \$7,995,061,000. Further details can be found in note 11.

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11 FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies \$000 |
|----------------------------|--|
| Cost or valuation | |
| At 1 January 2022 | 4,193,626 |
| Disposals - internal | (4,193,610) |
| Additions - internal | 7,995,061 |
| At 31 December 2022 | <u>7,995,077</u> |
| | |
| Net book value | |
| At 31 December 2022 | <u>7,995,077</u> |
| At 31 December 2021 | <u>4,193,626</u> |

In April 2022 the Company sold most of its investments in subsidiaries to one of its own subsidiary undertakings, consideration for which was in the form of new shares in that company. The total fair market value was \$7,995,061,000.

An impairment review has been carried out and as a result no impairment has been applied against fixed asset investments (2021 - \$nil).

In the opinion of the directors the value of investments in the Company's subsidiaries is not less than the amount at which it is included in the Statement of Financial Position.

Details of the Company's subsidiary undertakings and associates at 31 December 2022 are shown below:

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|---|--------------------------|-----------------|---------|--|
| A. Constantinidi & CIA. S.C. | Uruguay | Common | 97% | Victor Soliño 349, Piso 13, Oficina 1305, Montevideo, Uruguay |
| Al Heloul Al Mushrikah Lestisharat Alamal | Jordan | Ordinary | 100% | Level 6 Building 2, Karadsheh Tower, Mecca Street , Amman |
| Amal Insurance Brokers Limited | Saudi Arabia | Common | 59% | SABB PO BOX 9084, Dabbab Street, Riyadh 11413, Saudi Arabia |
| Annison 18 (RF) Proprietary Limited | South Africa | Preference | 63% | Wanderers Office Park, BDO Building, 52 Corlett Drive, Illovo, 2196, South Africa |
| Best Insurance, Inc. | Japan | Ordinary | 100% | 75-1, Kyoumachi, Chuou-ku, Kobe-shi, Hyogo, 650-0034, Japan |
| Bowring (Bermuda) Investments Ltd. | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Bowring Marsh (Bermuda) Ltd. | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Bowring Marsh (Hong Kong) Limited | Hong Kong | Common | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|---|-----------------------------------|------------------------|----------------|--|
| Carpenter Marsh Fac Argentina Corredores de Reaseguros SA | Argentina | Ordinary | 100% | Florida 234, 4 Floor, C1005AAF, Buenos Aires, Argentina |
| Carpenter Marsh Fac Brasil Corretora de Resseguros Ltda | Brazil | Common | 100% | Avenida Doutor Chucri Zaidan, S/N, conjuntos 271/272, 27º, andar e conjuntos 281/282, 28º, andar, S/N, Torre B do Ez Tower, Vila Cordeiro, Sao Paulo/SP, CEP 04.583-110, Brazil |
| Consultores 2020 C.A. | Venezuela, Bolivarian Republic of | 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, Bolivarian Republic of |
| DeLima Marsh S.A. - Los Corredores de Seguros S.A. | Colombia | Common | 51% | Calle 67, Norte No. 6N-85, Cali., Colombia |
| Echelon Claims Consultants Sdn Bhd | Malaysia | Ordinary | 100% | 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur, Malaysia |
| Guy Carpenter & Co. Labuan Ltd. | Malaysia | Common | 100% | Level 14A, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan F.T., Malaysia |
| Guy Carpenter & Company Corretora de Resseguros Ltda. | Brazil | Common | —% | Avenida Almirantes Barroso nº 81, 22º piso, Rio de Janeiro-RJ, Brasil, 20031-034, Brazil |
| Guy Carpenter & Company Peru Corredores de Reaseguros S.A.C. | Peru | Ordinary | —% | Calle las Orquideas N 675, Piso 7, San Isidro, Lima 27, Peru |
| Guy Carpenter & Company Proprietary Limited | South Africa | Ordinary | 100% | Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa |
| Guy Carpenter & Company, Limited | Hong Kong | Common | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Guy Carpenter & Company, S.A. | Argentina | Common | 100% | Avenida Córdoba 111, piso 16, Ciudad de Buenos Aires, Argentina |
| Guy Carpenter Colombia Corredores de Reaseguros Ltda. | Colombia | Common | 62% | Avenida El Dorado No 69B-45 Piso 9, Edificio Bogota Corporate Center, Bogota, Colombia |
| Guy Carpenter Japan, Inc. | Japan | Ordinary | 100% | Midtown Tower, 9-7-1 Akasaka Minato-Ku, Tokyo, 107-6216, Japan |
| Guy Carpenter Mexico Intermediario de Reaseguro, S.A. de C.V. | Mexico | Series A and B | 100% | Torre Mayor, Avenida Paseo de la Reforma 505, Piso 11, Colonia Cuauhtemoc, 06500 Ciudad de Mexico, Mexico |
| HSBC Insurance Brokers International (Abu Dhabi) LLC (in liquidation) | United Arab Emirates | Ordinary | 49% | PO Box 44183, Abu Dhabi, United Arab Emirates |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|---|---------------------------------|------------------------|----------------|--|
| Isosceles Insurance (Barbados) Limited | Barbados | Ordinary | 100% | 1st Floor Lime Grove Centre, St James House, Second Street, Holetown, St James, Barbados |
| Isosceles Insurance Ltd | Bermuda | Ordinary | 30% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| J&H Marsh & McLennan Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Japan Affinity Marketing, Inc. | Japan | Ordinary | 50% | 7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan |
| Mangrove Insurance Europe PCC Limited | Malta | Ordinary | 100% | The Hedge Business Centre - Level 3, Triq ir-Rampa Ta' San Giljan, Balluta Bay, St. Julians, STJ 1062, Malta |
| Marsh & McLennan Agencies Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Marsh & McLennan Asia Business Services Sdn. Bhd. | Malaysia | Ordinary | 100% | Level 42-01C (West Wing), Q Sentral, 2A Stesen Sentral, KL Sentral, 50470 Kuala Lumpur, Malaysia |
| Marsh & McLennan Colombia S.A.S | Colombia | Common | 62% | Calle 67, Norte No. 6N-85, Cali., Colombia |
| Marsh & McLennan Companies Asia Pacific Treasury Center Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Marsh & McLennan Global Broking (Bermuda) Ltd. | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Marsh & McLennan Insurance Services Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Marsh & McLennan Management Services (Bermuda) Limited | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Marsh & McLennan Servicios, S.A. De C.V. | Mexico | Ordinary A and B | 100% | Avenida Paseo de la Reforma, Avenue 505, Piso 10 al 12, Cuauhtemoc, C.P. 06500, Ciudad de Mexico, Mexico |
| Marsh (Bahrain) Company WLL | Bahrain | Ordinary | 100% | PO Box 3237, Unitag House, 6th Floor, 150 Government Avenue, Manama, Bahrain |
| Marsh (Hong Kong) Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Marsh (Middle East) Limited | United Kingdom | Ordinary | 100% | 1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom |
| Marsh (Namibia) Proprietary Limited | Namibia | Ordinary | 100% | Unit 17G, Tenbergen Village, Windhoek, Namibia |
| Marsh A/S | Denmark | Ordinary | 100% | Teknikerbyen 1, 2, DK-2830 Virum, Denmark |
| Marsh AB | Sweden | Ordinary A and B | 100% | Torsgatan 26, S-113 21 Stockholm, Sweden |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|--|---------------------------------|-------------------------|----------------|---|
| Marsh AG | Switzerland | Ordinary | 100% | Tessinerplatz 5, 8000 Zurich, Switzerland |
| Marsh Argentina S.R.L. | Argentina | Common | 98% | Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina |
| Marsh Associates Proprietary Limited | 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. | Mexico | Class I and II Series B | 100% | Avenida Paseo de la Reforma 505, Piso 13, Col. Cuauhtemoc, C.P. 06500, Ciudad de Mexico, Mexico |
| Marsh Broker Japan, Inc. | Japan | Ordinary | 100% | 7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan |
| Marsh Brokers (Hong Kong) Limited | Hong Kong | Ordinary | 100% | Suite 3402-3406, 34/F & 33/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Marsh Corporate Services (Barbados) Limited | Barbados | Common | 100% | Whitepark House, White Park Road, St. Michael, Barbados |
| Marsh Corretora de Seguros Ltda. | Brazil | Common | 100% | Rua Doutor Rubens Gomes Bueno, No 691, Conj. 81, Bloco A, Esquina com a Avenida das Nacoes Unidas 17007, CEP 04730-000, Varzea de Baixo, Brazil |
| Marsh d.o.o. Beograd | Serbia | Ordinary | 100% | Omladinskih brigada 90a, 11070, Belgrade, Serbia |
| Marsh d.o.o. za posredovanje u osiguranju | Croatia | Ordinary | 100% | Radnicka cesta 80, 10000, Zagreb, Croatia |
| Marsh Emirates Consultancy LLC | United Arab Emirates | Ordinary | 49% | Level 43, Burj Al Salam , World Trade Centre Roundabout , Sheikh Zayed Road , Dubai , P.O.BOX 57006, United Arab Emirates |
| Marsh Emirates Insurance Brokerage LLC | United Arab Emirates | Ordinary | 49% | Level 43, Burj Al Salam , World Trade Centre Roundabout , Sheikh Zayed Road , Dubai , P.O.BOX 57006, United Arab Emirates |
| Marsh EOOD | Bulgaria | Ordinary | 100% | Capital Fort, Body A, Floor 11, 90 Tsarigradsko Shouse Boulevard, Sofia, 1784, Bulgaria |
| Marsh for Insurance Brokerage S.A.E. | Egypt | Ordinary | 100% | Nile City, North Tower, Level 17, 2005 C, Cornich EInile, Cairo, 11221, Egypt |
| Marsh for Insurance Consulting | Egypt | Ordinary | 100% | Nile City, North Tower, Level 17, 2005 C, Cornich EInile, Cairo, 11221, Egypt |
| Marsh for Insurance Services - Jordan | Jordan | Ordinary | 100% | Office No.1, Fourth Floor, South Tower, JIC Building, Third Dawar, Gabal Amman, Jordan |
| Marsh Franco Acra, S.A. | Dominican Republic | Common | 100% | Ave. Abraham Lincoln No. 1057 Torre MIL57, Piantini, Santo Domingo, Dominican Republic |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|--|---------------------------------|------------------------|----------------|--|
| Marsh GSC Servicos e Administracao de Seguros Ltda. | Brazil | Common | 100% | Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paulo, SP, 05804-900, Brazil |
| Marsh Guy Carpenter Reinsurance Brokers Saudi Arabia | Saudi Arabia | Ordinary | 30% | Olaya Street, AlMourouj Tower, 3rd Floor, Riyadh, 12281-2576, Saudi Arabia |
| Marsh Holding AB | Sweden | Ordinary | 100% | Torsgatan 26, S-113 21 Stockholm, Sweden |
| Marsh Insurance Brokers (Macao) Limited | Macao | Ordinary | 96% | Alm. Dr. Carlos D'Assumpcao, No. 398, Edf. CNAC, 20 Andar D, Macao |
| Marsh Insurance Brokers (Malaysia) Sdn Bhd | Malaysia | Common | 49% | Unit C-02-03, Level 2, Block C, Southbank Commercial Centre, No. 179, Jalan Klang Lama, 58000 Kuala Lumpur, Malaysia |
| Marsh Insurance Consulting Saudi Arabia | Saudi Arabia | Ordinary | 60% | Morouj Tower, 7th Floor, PO Box 53303, Riyadh 11583, Saudi Arabia |
| Marsh Japan, Inc. | Japan | Common | 100% | 7-1, Akasaka 9-Chome, Minato-Ku, Tokyo, Japan |
| Marsh Kft. | Hungary | Ordinary | 100% | Futo u. 47-53, Budapest, H-1082, Hungary |
| Marsh Kindlustusmaakler AS | Estonia | Ordinary | 100% | Tartu mnt. 118, Tallinn, 10115, Estonia |
| Marsh LLC Insurance Brokers | Greece | Ordinary | 97% | 8-10 Sorou & Dimitsanas, 15125 Maroussi, Athens, Greece |
| Marsh Management Services (Anguilla) Limited | Anguilla | Ordinary | 100% | 1st Floor Hansa Bank Building, Landsome Road, The Valley, PO BOX 727, Anguilla |
| Marsh Management Services (Barbados) Limited | Barbados | Common | 100% | Whitepark House, White Park Road, St. Michael, Barbados |
| Marsh Management Services (Bermuda) Ltd. | Bermuda | Common | 30% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Marsh Management Services Cayman Ltd. | Cayman Islands | Common | 100% | Governors Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, Grand Cayman, KY1-1102, Cayman Islands |
| Marsh Management Services Labuan Limited | Malaysia | Common | 100% | Level 14A, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan F.T., Malaysia |
| Marsh Management Services Sweden AB | Sweden | Ordinary | 100% | Torsgatan 26, S-113 21 Stockholm, Sweden |
| Marsh Marine (Pty) Ltd | South Africa | Ordinary | 91% | Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa |
| Marsh McLennan Agency A/S | Denmark | Ordinary | 100% | Teknikerbyen 1, 2, DK-2830 Virum, Denmark |
| Marsh McLennan Morocco * | Morocco | Ordinary | 100% | Ang Rue Mozart Et Bd D anfa Res Le Petit Paradis ET 7, Casablanca, Morocco |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|--|---------------------------------|------------------------|----------------|---|
| Marsh McLennan Regional Colombia Holdings, Ltd. | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Marsh McLennan Regional Holdings Limited * | United Kingdom | Ordinary | 100% | 1 Tower Place West, Tower Place, London , EC3R 5BU, United Kingdom |
| Marsh MEA Ltd | United Arab Emirates | Ordinary | 100% | Unit GV07-3rd Floor-Unit 301-Full Floor, Level 3, Gate Village Building 07, Dubai International Financial Centre, Dubai, PO BOX 64057, United Arab Emirates |
| Marsh Morocco | Morocco | Capital contributions | 35% | 409 RTE Eljadida Oasis, Casablanca, Morocco |
| Marsh Oman LLC | Oman | Ordinary | 70% | Post Box 197, Suite No. 220, Hatat House, Mina Al Fahal, Postal Code 116, Oman |
| Marsh Oy | Finland | Ordinary | 100% | Keilaranta 10, 02150 ESPOO, Finland |
| Marsh Philippines, Inc. | Philippines | Common | 100% | Net Lima Building, 5th Avenue/ Corner 26th Street, Bonifacio Global City, Taguig City, Philippines |
| Marsh Proprietary Limited | South Africa | Ordinary | 91% | Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa |
| Marsh Qatar LLC | 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 | Namibia | Ordinary | 100% | Suite 200, Alexander Forbes House, Fidel Castro Ruz, WHK, namibia |
| Marsh Risk Consulting Ltda. | Colombia | Common | 62% | Avenida El Dorado, No. 69A-51 Int. 1, Bogota-Cundinamarca, Colombia |
| Marsh SA (Argentina) | Argentina | Common | 98% | Av. Cordoba 111, 16 Floor, Buenos Aires, Argentina |
| Marsh SA [Uruguay] | Uruguay | Common | 98% | Victor Soliño 349, Piso 13, Oficina 1305, Montevideo, Uruguay |
| Marsh Saldana Inc. | Puerto Rico | Common Class A | 100% | City View Plaza, Torre 1, Suite 700, Guaynabo, P.R. 00968, Puerto Rico |
| Marsh Saudi Arabia Insurance & Reinsurance Brokers | Saudi Arabia | Ordinary | 60% | Morouj Tower, 7th Floor, PO Box 53303, Riyadh 11583, Saudi Arabia |
| Marsh Services Spolka z.o.o. | Poland | Ordinary | 100% | Al. Jerozolimskie 98, 00-807, Warsaw, Poland |
| Marsh SIA | Latvia | Ordinary | 100% | Dzirnavu Street 37-13, LV-1010 Riga, Latvia |
| Marsh Soken, Inc | Japan | Ordinary | 100% | 2-12, Shijoohji 2-Chome, Nara, Nara, Japan |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|--|---------------------------------|------------------------|----------------|--|
| Marsh Spolka z.o.o. | Poland | Ordinary | 100% | Al. Jerozolimskie 98, 00-807, Warsaw, Poland |
| Marsh Takaful Brokers (Malaysia) Sdn Bhd | Malaysia | Common | 49% | Unit C-02-03, Level 2, Block C, Southbank Commercial Centre, No. 179, Jalan Klang Lama, 58000 Kuala Lumpur, Malaysia |
| Matthiessen Assurans AB | Sweden | Ordinary A, B and C | 100% | Torsgatan 26, S-113 21 Stockholm, Sweden |
| Mercer (Argentina) S.A.U. | Argentina | Ordinary | 100% | Florida 234, 4th Floor, Buenos Aires, C1005AAF, Argentina |
| Mercer (Austria) GmbH | Austria | Common | 100% | Millennium Tower, Handelskai 94-96, 1200 Vienna, Vienna, Austria |
| Mercer (Belgium) SA-NV | Belgium | Common | 100% | 2, Avenue Hermann-Debrouxlaan, B-1160, Brussels, Belgium |
| Mercer (Colombia) Ltda. | Colombia | Common | 62% | Avenida del Dorado #69B -45, Piso 9, Bogota, Colombia |
| Mercer (Denmark) A/S | Denmark | Common | 100% | Teknikerbyen 1,2 2830 Virum Denmark, Denmark |
| Mercer (Finland) Oy | Finland | Ordinary | 100% | Keilaranta 10, 02150 ESPOO, Finland |
| Mercer (Malaysia) Sdn. Bhd. | Malaysia | Ordinary | 100% | Level 11, Sentral Jalan Rakyat , Kuala Lumpur Wilayah Persekutuan 504740 Kuala Lumpur, Malaysia |
| Mercer (Norge) AS | Norway | Ordinary | 100% | AS Karenslyst Alle 20 0278 Oslo Norge, Norway |
| Mercer (Polska) Sp.z o.o. | Poland | Ordinary | 100% | Al. Jerozolimskie 98, 00-807, Warsaw, Poland |
| Mercer (Sweden) AB | Sweden | Ordinary | 100% | Torsgatan 26, S-113 21 Stockholm, Sweden |
| Mercer Asesores de Seguros S.A. | Argentina | Common | 100% | Florida 234, 4th Floor, Buenos Aires, C1005AAF, Argentina |
| Mercer Asesores es Inversion Independientes S.A. de C.V. | Mexico | Ordinary | 100% | Avenida Paseo de la Reforma 505, Piso 11, Col. Cuauhtemoc, C.P. 06500, Ciuda de Mexico, Mexico |
| Mercer Financial Services Limited Liability Company | Morocco | Ordinary | 100% | Angle Bd Yaacoub El Mansour et rue Socrate, lot n05, , residence Masurel, etage _ Casablanca., Morocco |
| Mercer Financial Services Middle East Limited | 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. [Philippines] | Philippines | Class A and B | 100% | 20th Floor Net Lima Building, 5th Avenue corner 26th Street Bonifacio, Global City, Taguig City, Philippines |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|---|---------------------------------|------------------------|----------------|--|
| Mercer Human Resource Consulting Ltda | Brazil | Common | 100% | Av. Dr. Chucri 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. | Mexico | Common | 100% | Avenida Paseo de la Reforma 505, Pisos 11 y 12, Col. Cuauhtemoc, C.P. 06500, Ciudad de Mexico, Mexico |
| Mercer Investments (Japan), Ltd | Japan | Common | 100% | 1-12-32 Akasaka, Minato-ku, Tokyo, |
| Mercer Japan Ltd. | Japan | Ordinary | 100% | Midtown Tower , 9-7-1 Akasaka Minato-Ku, Tokyo , 107-6216, Japan |
| Mercer Korea Co., Ltd. | Korea, Republic of | Common | 100% | 39F., Three IFC, 10 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul, South Korea, 07326, Korea, Republic of |
| Mercer Pensionsraadgivning A/S | Denmark | Ordinary | 100% | Teknikerbyen 1,2 2830 Virum Denmark, Denmark |
| Mercer Philippines, Inc. | Philippines | Common | 100% | 20th Floor Net Lima Building, 5th Avenue corner 26th Street Bonifacio, Global City, Taguig City, Philippines |
| Mercer Schweiz AG | Switzerland | Ordinary | 100% | Tessinerplatz 5, 8002 Zurich, Switzerland |
| Mercer South Africa Proprietary Limited | South Africa | Ordinary | 100% | Cnr 5th Street & Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa |
| MM Asistencias S.A. | Argentina | Common | 98% | Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina |
| MMB Consultores S.A. | Argentina | Common | 98% | Florida 234, 2 Floor, Cap. Fed., C1005AAF, Argentina |
| MMC Brazilian Holdings B.V. | Netherlands | Ordinary | 100% | Conradstraat 18, Groothandelsgebouw, Ingang E, 3013 AP Rotterdam, P.O. Box 232, 3000AC, Rotterdam, Netherlands |
| MMC Financial Company * | Saudi Arabia | Ordinary | 100% | Office Number 400, World Trade Centre, Riyadh, Saudi Arabia |
| MMC Group Services sp. z o.o. | Poland | Ordinary | 100% | Prosta 68 Street, 00-838 Warsaw, Poland |
| MMC Management Services Proprietary Limited | South Africa | Ordinary | 100% | Corner 5th Street and Fredman Drive, Entrance 1, Building 1, Alice Lane, Sandton, 2196, South Africa |
| MMC Middle East Holdings Limited | United Kingdom | Ordinary | 100% | 1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom |
| MMC Poland Holdings B.V. | Netherlands | Ordinary | 100% | Conradstraat 18, Groothandelsgebouw, Ingang E, 3013 AP Rotterdam, P.O. Box 232, 3000AC, Rotterdam, Netherlands |

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| Name | Country of Incorporation | Class of shares | Holding | Registered office |
|--|---------------------------------|---|----------------|--|
| MMC Regional LATAM Holdings B.V. | Netherlands | Ordinary | 100% | Conradstraat 18, Groothandelsgebouw, Ingang E, 3013 AP Rotterdam, P.O. Box 232, 3000AC, Rotterdam, Netherlands |
| Oliver Wyman Austria GmbH | Austria | Capital contributions | 100% | Millenium Tower, Handelskai 94-96, 1200 Wien, Austria |
| Oliver Wyman Consultoria em Estrategia de Negocios Ltda. | Brazil | Common | 99% | Rua Arquiteto Olavo, Redig de Campos, 105, Edifício EZ Tower, Torre B - 26º Andar, Sao Paulo, SP, 04711-904, Brazil |
| Oliver Wyman Group KK | Japan | Common | 100% | Midtown Tower 16F, 9-7-1, Akasaka, Minato-ku, Tokyo, 107-6216, Japan |
| Oliver Wyman Limited Liability Company | Greece | Ordinary | 100% | 1, Filellinon & Othonos Street , Athens, Greece, 10557 , Greece |
| Oliver Wyman LLC | Qatar | Ordinary | 100% | Office A, 11th Floor, Tornado Tower, Majlis Al Taawon Street, Doha, Qatar, Qatar |
| Oliver Wyman Proprietary Limited | South Africa | Ordinary A | 75% | 11 Alice Lane, Building 1 , Sandton, South Africa, 2196, South Africa |
| Oliver Wyman S.A.S. | Colombia | Common | 62% | AV. El Dorado, No. 69B - 45, piso 10, Bogota, Colombia, Colombia |
| Organizacion Brockman y Schuh S.A. de C.V. | Mexico | Class I Series B and Clas II Series B and C | 100% | Avenida Paseo de la Reforma 505, Pisos 10 al 14, Col. Cuauhtemoc, C.P. 06500, Ciudad de Mexico, Mexico |
| Pallas Marsh Servicos Ltda. | Brazil | Common | 100% | Av. Maria Coelho Aquiar 215, Building F-1, Jardim Sao Luiz, Sao Paulo, SP, 05804-900, Brazil |
| Rightpath Reinsurance SPC, Ltd. | Cayman Islands | Ordinary | 100% | Governors Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, PO Box 1051, Grand Cayman, KY1-1102, Cayman Islands |
| SCIB (Bermuda) Limited | Bermuda | Common | 100% | Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda |
| Sedgwick Forbes Middle East Limited | Jersey | Ordinary | 100% | Fifth Floor, 37 Esplanade, St Helier, JE1 2TR, Jersey |
| Sedgwick Private Limited | Singapore | Ordinary | 100% | 8 Marina View #09-05, Asia Square Tower 1, Singapore, 018960, Singapore |
| UAD BB Marsh Lietuva | Lithuania | Common | 100% | Olimpieciu 1-56, LT - 09235 Vilnius, Lithuania |

* Directly owned

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12 DEBTORS

| | 2022 | <i>2021</i> |
|---|---------------|----------------|
| | \$000 | <i>\$000</i> |
| Amounts owed by group undertakings | 22,975 | <i>67,302</i> |
| Amounts recoverable from group companies in respect of taxation | – | <i>30,184</i> |
| Deferred tax | 25,192 | <i>15,702</i> |
| | 48,167 | <i>113,188</i> |

Included in amounts owed by group undertakings due within one year is a loan receivable of \$22,897,000 which is repayable on demand and has variable interest rates of between 2.015% and 4.015%. The remaining balance is unsecured, interest free and repayable on demand.

13 CASH AT BANK AND IN HAND

| | 2022 | <i>2021</i> |
|--------------|--------------|---------------|
| | \$000 | <i>\$000</i> |
| Cash at bank | – | <i>98,423</i> |
| | – | <i>98,423</i> |

During 2022 certain companies in the UK joined a cash pooling arrangement whereby balances are returned to zero each day as funds are transferred to a central account held by MMC International Treasury Centre Limited, a fellow UK Group subsidiary. Balances held in this pool arrangement are disclosed as amounts owed by group undertakings in note 12.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | <i>2021</i> |
|------------------------------------|--------------|--------------|
| | \$000 | <i>\$000</i> |
| Amounts owed to group undertakings | 7,710 | <i>8,370</i> |
| | 7,710 | <i>8,370</i> |

Amounts owed to group undertakings includes accrued interest of \$7,650,000 on the \$1,800,000,000 inter-company loan note at a rate of 3% (*2021 - accrued interest of \$7,650,000 at a rate of 3%*). The remaining balance is unsecured, interest free and repayable on demand.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | <i>2021</i> |
|------------------------------------|------------------|------------------|
| | \$000 | <i>\$000</i> |
| Amounts owed to group undertakings | 1,800,000 | <i>1,800,000</i> |
| | 1,800,000 | <i>1,800,000</i> |

The \$1,800,000,000 intercompany loan principal is repayable on 11 November 2026. The loan was listed on The International Stock Exchange in Guernsey on 10 March 2022.

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16 DEFERRED TAXATION

| | 2022 | <i>2021</i> |
|---------------------------|----------------------|----------------------|
| | \$000 | <i>\$000</i> |
| At beginning of year | 15,702 | – |
| Charged to profit or loss | 9,491 | <i>15,702</i> |
| AT END OF YEAR | <u>25,192</u> | <i><u>15,702</u></i> |

The deferred tax asset is made up as follows:

| | 2022 | <i>2021</i> |
|----------------------|----------------------|----------------------|
| | \$000 | <i>\$000</i> |
| Net operating losses | 25,192 | <i>15,702</i> |
| | <u>25,192</u> | <i><u>15,702</u></i> |

Deferred tax timing differences have been provided for at the rate of 25%, being the rate enacted at the balance sheet date, and exclude any potential impact of the OECD's Pillar 2.

A deferred tax asset of \$12.2m (*2021: \$8.1m*) representing interest expense restricted under the rules from 1 April 2017 has not been recognised due to the uncertainty of when the asset will be realised.

17 CALLED UP SHARE CAPITAL

| | 2022 | <i>2021</i> |
|---|-----------------------|-----------------------|
| | \$000 | <i>\$000</i> |
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 1,642,247 (2021- 1,641,247) Ordinary shares of \$1 each | 1,642.4 | <i>1,641.2</i> |
| 16,393 (2021- 16,393) Ordinary A shares of \$1 each | 16.4 | <i>16.4</i> |
| | <u>1,658.8</u> | <i><u>1,657.6</u></i> |

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 the capital (including on winding up). Each ordinary share represents one vote at the Company's meetings of shareholders.

During the year, the Company bought assets and liabilities of another group undertaking in exchange for \$1,000 ordinary shares at a premium of \$240,160,000.

CASCADE REGIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18 RESERVES

Share premium account

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

During the year, the Company bought assets and liabilities of another group undertaking in exchange for \$1,000 ordinary shares with a premium of \$240,160,000.

Non distributable reserve

In April 2022, the Company made a gain which resulted from the sale of most of its investments in subsidiaries and some of its assets and liabilities to one of its own subsidiary undertakings, consideration for which was in the form of new shares in that company. As a result of this linked transaction, the gain has been transferred to a non-distributable reserve.

Profit and loss account

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

19 CONTINGENT LIABILITIES

As disclosed in Note 14 of the financial statements the Company has a loan from a related party. The interest expense in relation to this loan is included in the Company's tax returns that are currently being examined by the tax authority. Tax returns contain matters that could be subject to differing interpretations of applicable tax laws and regulations including the tax deductibility of interest on intercompany financing. The resolution of tax positions through discussions with relevant tax authorities, or through litigation, can take several years to complete and the amount could be significant and could be material to the Company's financial position. While it is difficult to predict the ultimate outcome in some cases, the Company does not expect there to be any material impact on the Company's financial position.

20 RELATED PARTY TRANSACTIONS

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

21 EVENTS AFTER THE REPORTING PERIOD

The Company declared dividend to its parent company of \$340,000,000 after the Statement of Financial Position date.

22 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.

CASCADE REGIONAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23 IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is MMC Finance Holdings Ltd., registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, United States of America.

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 address is 1166 Avenue Of The Americas, New York, Ny 10036, United States. 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 Finance Holdings Ltd.
1 Tower Place West
Tower Place
London
EC3R 5BU
United Kingdom