

Sedgwick UK Holdings II Limited
(formerly known as
Cunningham Lindsey Holdings II (UK) Limited)
Annual report and audited financial statements
For the year ended 31 December 2018



Sedgwick UK Holdings II Limited

Annual report and financial statements For the year ended 31 December 2018

Contents

	Page
Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	5
Independent auditor's report	6
Income statement	9
Statement of changes in equity	10
Balance sheet	11
Notes to the financial statements	12

Sedgwick UK Holdings II Limited

Company information

Director

J E Jenner
I V Muress
S Raper

Company secretary

none

Registered office

60 Fenchurch Street
London, England
EC3M 4AD

Registered number

06444708 (England and Wales)

Independent auditors

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Sedgwick UK Holdings II Limited
Registered number: 06444708

Strategic report for the year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Business review

The Company's loss before tax for the year is \$2,388,000 (2017: loss of \$40,099,000 restated). The net loss after tax of \$6,035,000 (2017: loss of \$30,516,000 restated) will be transferred to reserves. The Company's net liabilities at the year-end are \$99,775 (2017: \$93,740 restated).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Sedgwick Group and are not managed separately.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company has considered the risks of credit and pricing and their potential impact on the business. The directors do not consider such risks to be applicable or to have any significant impact on the business.

Liquidity risk:

The Company maintains short-term facilities with other group companies to ensure it has sufficient funds for operations.

Interest rate risk:

The Company's interest rate risk arises from both interest bearing assets and interest bearing liabilities, which bear interest at various rates. Interest bearing liabilities relate primarily to amounts owed to group undertakings. The Company has not used interest rate swaps or cash flow hedges of future interest payments as this risk is managed at the group level.

On behalf of the Board



J E Jenner
Director

9 July 2020

Sedgwick UK Holdings II Limited

Registered number: 06444708

Directors' report for the year ended 31 December 2018

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

Principal activities

The principal activity of the Company in the year under review was that of a holding company.

Directors

The directors, who have held office during the whole of the period from 1 January 2018 to the date of signing of these financial statements, unless otherwise stated, are given below:

J Sutton (Resigned 7 June 2019)
M Odedra (Resigned 20 March 2019)
D Di Cicco (Resigned 19 March 2019)
J E Jenner (Appointed 20 March 2019)
I V Muress (Appointed 20 March 2019)
S Raper (Appointed 7 June 2019)

Going concern

The financial statements have been prepared on a going concern basis, despite the company having net liabilities of \$99.76M and reporting a loss for the period of \$6.04M. The Sedgwick group is restructuring a number of its holding companies, and this company is core to the new structure. It will form the key holding company for the group's operations outside of the United States, providing funding to those operations. The directors have received a written indication from the group's holding company, Sedgwick L.P., that, should it be necessary, it will provide the resources to enable the company to meet its liabilities as they fall due and to continue to trade for a period of at least 12 months from the date of approval of these financial statements.

Prior year adjustment

During the year the Directors performed a review of intercompany transactions, which led to the identification that intercompany interest had not been charged at the appropriate rate on certain intercompany loans since 1 February 2009 and also identified an impairment to investments held in subsidiaries. This reassessment took place after the finalisation of the 31 December 2017 financial statements, and so comparatives have been restated to reflect the investments held in subsidiaries and intercompany loans payable and receivable as of 31 December 2017 as well as interest income and expense for the year ended 31 December 2017. The net impact as at 31 December 2017 was:

- A decrease in debtors of \$27,827,459.
- A decrease in creditors falling due within one year of \$14,925,952.
- A increase in creditors due more than one year of 17,000,315
- A decrease in investments in subsidiaries of 124,411,670.
- An increase in interest income of \$3,065,845.
- An increase in interest expense \$6,522,840.
- A decrease in profit after tax of \$2,791,522.
- A decrease in retained earnings brought forward at 1 January 2017 of \$151,521,970.

A more detailed breakdown may be found in note 19 of these financial statements

Dividends

No dividend was distributed for the year ended 31 December 2018 (2017: \$nil). The directors do not recommend a final dividend (2017: \$nil).

Future developments

The Company will continue to be a holding company for the foreseeable future.

Charitable and political donations

The Company made no charitable donations during the year (2017: \$nil). No donations were made to political parties (2017: \$nil).

Sedgwick UK Holdings II Limited
Registered number: 06444708

Directors' report for the year ended 31 December 2018 (continued)

Directors' indemnities

The Company's ultimate parent company maintains liability insurance for the Company's directors and officers. The liability insurance includes an indemnity for the Company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Directors' statement of disclosure of information to the auditors

The directors who were members of the Board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware;
and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

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

On behalf of the Board



J E Jenner
Director

9 July 2020

Sedgwick UK Holdings II Limited

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance applicable UK Accounting Standards including FRS 101 Reduced Disclosure Framework;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the directors of Sedgwick UK Holdings II Limited

Opinion

We have audited the financial statements of Sedgwick UK Holdings II Limited ("the company") for the year ended 31 December 2018 which comprise of the Income Statement, Statement of changes in Equity, Balance Sheet and related notes, including the accounting policies in note 2.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report to the directors of Sedgwick UK Holdings II Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the directors of Sedgwick UK Holdings II Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Peter Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square, Bristol, BS1 4BE, United Kingdom
9 July 2020

Sedgwick UK Holdings II Limited

Income Statement For the year ended 31 December 2018

	Notes	2018 \$'000	2017 (as restated*) \$'000
Turnover		-	-
Administrative expenses		(217)	(17)
Operating loss	4	(217)	(17)
Interest receivable and similar income	6	29,052	12,623
Interest payable and similar charges	7	(31,223)	(52,705)
Loss before taxation		(2,388)	(40,099)
Tax (expense) credit on activities	8	(3,647)	9,583
Loss for the financial year		(6,035)	(30,516)

All operations of the Company relate to continuing activities.

Total comprehensive income statement

The Company has no other comprehensive income for the year other than those included in the profit and loss account. Therefore, no separate statement of total comprehensive income has been prepared.

The notes on pages 12 to 27 form part of these financial statements.

* See note 19 for details of the restatement.

Sedgwick UK Holdings II Limited

Statement of changes in equity For the year ended 31 December 2018

	Called-up share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2017 (as previously reported)	44,938	17,216	26,144	88,298
Prior period adjustment			(151,522)	(151,522)
At 1 January 2017 (restated)	44,938	17,216	(125,378)	(63,224)
Loss for the financial year (restated)	-	-	(30,516)	(30,516)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	(30,516)	(30,516)
At 31 December 2017 (restated)	44,938	17,216	(155,894)	(93,740)
Loss for the financial year	-	-	(6,035)	(6,035)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	(6,035)	(6,035)
At 31 December 2018	44,938	17,216	(161,929)	(99,775)

The notes on pages 12 to 27 form part of these financial statements.

* See note 19 for details of the restatement.

Sedgwick UK Holdings II Limited
Registered number: 06444708

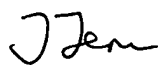
Balance sheet
As at 31 December 2018

	Notes	2018 \$'000	2017 (as restated*) \$'000
Fixed assets			
Investments	9	175,703	142,046
		175,703	142,046
Current assets			
Debtors	10	417,291	421,736
Cash at bank and in hand		379	13,981
		417,670	435,717
Creditors - amounts falling due within one year	11	(693,148)	(299,300)
Net current (liabilities)/assets		(275,478)	136,417
Total assets less current liabilities		(99,775)	278,463
Creditors - amounts falling due after more than one year	12	-	(372,203)
Net liabilities		(99,775)	(93,740)
Capital and reserves			
Called-up share capital	13	44,938	44,938
Capital reserve	14	17,216	17,216
Retained earnings		(161,929)	(155,894)
Total equity		(99,775)	(93,740)

The notes on pages 12 to 27 form part of these financial statements.

* See note 19 for details of the restatement.

The financial statements on pages 9 to 27 were approved by the Board of directors on 9 July 2020 and were signed on its behalf by:



J E Jenner

Director
Sedgwick UK Holdings II Limited

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

1. Authorisation of financial statements and statement of compliance with FRS 101

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2018 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The financial statements of the Company for the year ended 31 December 2018 were authorised for issue by the Board of directors on 9 July 2020 and the balance sheet was signed on the Board's behalf by J E Jenner.

The Company is a Private Limited Company incorporated and domiciled in England and Wales with its registered office located at 60 Fenchurch Street, London EC3M 4AD.

Exemption from preparing consolidated financial statements

The financial statements present information about Sedgwick UK Holdings II Limited as an individual undertaking and not about its group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Sedgwick, L.P., in whose consolidated financial statements the Company and its subsidiaries are included, and which are publicly available (see note 16).

Prior year adjustment

During the year the Directors performed a review of intercompany transactions, which led to the identification that intercompany interest had not been charged at the appropriate rate on certain intercompany loans since 1 February 2009 and also identified an impairment to investments held in subsidiaries. This reassessment took place after the finalisation of the 31 December 2017 financial statements, and so comparatives have been restated to reflect the investments held in subsidiaries and intercompany loans payable and receivable as of 31 December 2017 as well as interest income and expense for the year ended 31 December 2017. The net impact as at 31 December 2017 was:

- A decrease in debtors of \$27,827,459.
- A decrease in creditors falling due within one year of \$14,925,952.
- An increase in creditors due more than one year of 17,000,315
- A decrease in investments in subsidiaries of 124,411,670.
- An increase in interest income of \$3,065,845.
- An increase in interest expense \$6,522,840
- A decrease in profit after tax of \$2,791,522.
- A decrease in retained earnings brought forward at 1 January 2017 of \$151,521,970.

A more detailed breakdown may be found in note 19 of these financial statements

2. Significant accounting policies

Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS101:

- (i) The requirements of IAS 7 *Statement of Cash Flows*;
- (ii) The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (iii) The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*;
- (iv) Para 79(a)(iv), 10(d), 10(f), 16, 28, 38A, 40A, 40B, 40C, 40D, 134, 135 and 136 of IAS1 *Presentation of Financial Statements*;
- (v) IFRS 7 *Financial Instruments: Disclosure*;
- (vi) Para 91 to 99 of IFRS 13 *Fair Value Measurement*;
- (vii) Para 61, 62 and B67 of IFRS 3 *Business Combinations*;
- (viii) Para 134(d) and 134(f) of IAS36 *Impairment of Assets*.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment which the Company operates. The financial statements are presented in 'US Dollar' (\$) rounded to the nearest thousand, which is also the Company's functional currency.

The following accounting policies have been applied consistently to all periods presented when dealing with items which are considered material in relation to the Company's financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe is appropriate for the following reasons.

The wider Sedgwick group is currently undergoing a restructuring process whereby the non-US subsidiaries will all be transferred to a single intermediate holding company leaving several UK holding/intermediate holding companies ceasing to hold investments in subsidiaries. The directors have identified this Company to be the designated holding company for all the non-US subsidiaries.

The directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19, the company will have sufficient funds, through funding from its ultimate parent company, Sedgwick Holdings, Inc., to meet its liabilities as they fall due for that period. The COVID-19 pandemic has caused significant deterioration in economic conditions in the non-US trading subsidiaries and has also resulted in increased economic uncertainty for many others.

This going assessment is dependent on Sedgwick Holding, Inc. providing additional financial support during that period. Sedgwick Holdings Inc has indicated its intention to continue to make available such funds as are needed by the company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. In addition, the directors of Sedgwick Holdings, Inc have indicated that they would consider debt forgiveness, if tax effective, to further strengthen the balance sheet of the company.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

New standards and changes in accounting policy

The impact of adopting the following standards, interpretations and amendments effective for the first time from 1 January 2018 is disclosed in note 17:

- IFRS 9 Financial instruments
- IFRS 15 Revenue from Contracts with Customers

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

2. Significant accounting policies (continued)

Financial Instruments

Financial assets

The Company's financial assets include cash and cash equivalents and inter-company loans and receivables. All financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

ii) Inter-company loans and receivables

Inter-company loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Inter-company loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and Equity Instruments

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

The Company's financial liabilities comprise trade payables and inter-company loans and payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

i) Trade payables

Trade payables are non-interest bearing and are stated at amortised cost.

ii) Inter-company loans and payables

Inter-company loans and payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Investments

Investments are stated at cost less any permanent diminution in value. The Company assesses at each reporting date whether or not there is an indication of impairment. If any such indication exists, or when annual impairment testing is required, the Company makes an estimate of the recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the Income Statement.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

4. Auditor's remuneration

Auditor's remuneration is borne by Sedgwick International UK, a fellow group company, and is not recharged to the Company. The amount of auditor's remuneration applicable to the Company is deemed to be \$4,875 (2017: \$4,572).

Fees payable to the Company's auditor and their associates for other services to the Company was \$nil (2017: \$nil).

5. Staff costs and directors' emoluments

There were no staff costs for the year ended 31 December 2018 (2017: \$nil). The Company had no employees during the year (2017: nil).

The directors are remunerated by another group company in respect of their services to the group as a whole and it is not possible to apportion this remuneration against the companies in the group.

6. Interest receivable and similar income

	2018	2017
	\$'000	(restated)
		\$'000
Interest receivable from group undertakings	15,039	12,623
Bank interest receivable	1	-
Foreign exchange gain	14,012	-
	29,052	12,623

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

7. Interest payable and similar income

	2018	2017 (restated)
	\$'000	\$'000
Interest payable to group undertakings	31,223	28,339
Foreign exchange loss	-	24,366
	31,223	52,705

8. Taxation

(a) Tax (credit) in the income statement

	2018	2017 (restated)
	\$'000	\$'000
Current tax:		
- UK Corporation tax on loss for the year	3,647	(7,719)
- Adjustment to tax charge in respect of prior year		(1,864)
Total current tax	3,647	(9,583)
Deferred tax:		
- Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax (credit) in the income statement	3,647	(9,583)

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

8. Taxation (continued)

(b) Reconciliation of the tax [credit]

The actual tax rate assessed for the year is [lower than] (2017: lower than) the standard rate of Corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 \$'000	2017 \$'000
Loss before tax	(2,388)	(40,099)
Tax calculated at UK standard rate of Corporation tax of 19% (2017: 19.25%)	(454)	(7,719)
Effects of:		
- Adjustment to tax charge in respect of prior year	-	-
- Utilisation of losses brought forward, not recognised	-	-
- Dividends received not subject to corporation tax	-	-
- Current return to provision	4,101	(1,864)
Total tax (credit) for the year	3,647	(9,583)

(c) Change in the Corporation tax rate

In the Summer Budget 2015, the government announced a reduction in the Corporation tax rate from 20% to 19% from 1 April 2017, with a further reduction from 19% to 18% from 1 April 2020. The March 2016 Budget further introduced measures to reduce the Corporation tax rate to 17% from 1 April 2020. In the Spring Budget 2018, no further Corporation tax rate changes were announced

These rates were enacted at the balance sheet date and therefore the Company's deferred tax assets and liabilities have been measured at these rates.

(d) Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been substantively enacted at the balance sheet date.

There are no recognised or unrecognised deferred tax assets or liabilities (2017: \$nil).

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

9. Fixed asset investments

	Shares in group undertakings (restated) \$'000
Cost	
At 1 January 2018	142,046
Additions	33,657
At 31 December 2018	175,703
Net book value	
At 31 December 2018	175,703
At 31 December 2017	142,046

The Company's investments at the balance sheet date in the ordinary share capital of companies comprise the following undertakings that are held directly:

Name of undertaking	Country of incorporation or registration	Principal activity	Proportion of ordinary shares held
Sedgwick Canada Inc.	50 Burnhamthorpe Rd W Suite 1102. Mississauga, ON, L5B 3C2, Canada	Loss adjusting	100%
Cunningham Lindsey Holdings (Delaware) LLC	3030 N Rocky Point Dr W Ste 530. Tampa, FL, 33607, United States	Holding company	100%

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

9. Fixed asset investments (continued)

The following undertakings are held indirectly:

Name of undertaking	Country of incorporation or registration	Principal activity	Proportion of ordinary shares held
Cunningham Lindsey Research Services, Inc.	50 Burnhamthorpe Rd W Suite 1102. Mississauga, ON, L5B 3C2, Canada	Dissolved 2018	100%
Sedgwick Morden Acquisitions	60 Fenchurch Street, London, England, EC3M 4AD	Holding company	100%
Sedgwick Morden	60 Fenchurch Street, London, England, EC3M 4AD	Management Company	100%
Sedgwick UK IAP Limited	60 Fenchurch Street, London, England, EC3M 4AD	Holding company	100%
Sedgwick Risk Services Limited	60 Fenchurch Street, London, England, EC3M 4AD	Loss adjusting	100%
Sedgwick Singapore Pte. Ltd.	100 Beach Road. #14-09/13 Shaw Tower. Singapore 189702	Loss adjusting	100%
Cunningham Lindsey International GmbH	Stefan George Ring 29. Munich Germany 81929	Loss adjusting	100%
Sedgwick Ajustadores CA	Avda. Romulo Gallegos, Santa Eduvigis, Edif Torre KLM. Piso 11, Ofic. D. Caracas Venezuela 1071	Loss adjusting	100%
Cunningham Lindsey Kenya Limited	6th Floor, ACK Garden House, Off Bishops Road, Upper Hill. City Square. PO Box 56973. Nairobi Kenya 00200	Loss adjusting	20%
Cunningham Lindsey Middle East EC	Suite 62, Building 315, Road 1705, Block 317, Diplomatic Area. PO Box 10040 Manama Bahrain 12990	Loss adjusting	91%
Cunningham Lindsey Qatar LLC	Office 12, Third Floor, Al Reem Tower, West Bay, Doha, Qatar	Loss adjusting	100%
Cunningham Lindsey Saudi Limited for Losses Examination and Valuation LLC	P.O. Box 33446 King Faisal Street, Al-Yarmouk District, Khobar, Saudi Arabia	Loss adjusting	60%
Sedgwick (Thailand) Limited	100/61 Sathorn Nakorn Tower. 29th Floor, North Sathorn Road, Silom, Bangrak. Bangkok 10500	Loss adjusting	100%
PT Cunningham Lindsey Indonesia	Plaza Park View, 3rd Floor. JL Taman Kemang # 27. Jakarta Indonesia 12730	Loss adjusting	100%
Sedgwick Marine Limited	60 Fenchurch Street, London, England, EC3M 4AD	Dormant company	100%
Cunningham Lindsey Maroc SA	Rue Goulmima Boulevard Mohammed, Zerkouni, Casablanca, 20000, MA	Loss adjusting	50%
Sedgwick International Middle East Limited	Po Box 521 9 Burrard Street. St Helier Jersey, JE4 5UE	Loss adjusting	86%

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

9. Fixed asset investments (continued)

The following undertakings are held indirectly:

Name of undertaking	Country of incorporation or registration	Principal activity	Proportion of ordinary shares held
Cunningham Lindsey International (China) Limited	Room 801/808, Finance Square, No. 333 Jiu Jiang Road, Huang Pu District, Shanghai, China; 2000001	Dormant company	100%
Cunningham Lindsey (Vietnam) Limited	11th Floor, Anh Minh Building, No. 36 Hoang Cau Street, O Cho Dua Ward, Dong Da District, Hanoi Vietnam	Dormant company	100%
Sedgwick Mexico S.A. de C.V.	Insurgentes Sur No. 1898, Piso 19, Torre Siglum, Col. Florida, Mexico City, Mexico C.P. 01030	Loss adjusting	100%
Sedgwick Debt Recovery & Investigation Limited	60 Fenchurch Street, London, England, EC3M 4AD	Dormant company	100%
Sedgwick Korea Loss Adjustment Limited	12F, Pantech R&D Center 179, Seongam-ro, Mapo-gu Seoul South Korea 100-723	Loss adjusting	85%
Sedgwick Malaysia Sdn Bhn	Unit 7.01, Level 7, Bangunan KWSP, No. 3, Changkat Raja Chulan, Kuala Lumpur Malaysia 50200	Loss adjusting	49%
Sedgwick Hong Kong Limited	Unit 2301, Citicorp Centre, 18 Whitfield Road, Hong Kong	Loss adjusting	100%
Cunningham Lindsey Micronesia Limited	545 North Marine Drive, Tamuning Guam GU 96931	Loss adjusting	100%
Sedgwick do Brasil Ltda	Rua Haddock Lobo, 746-12º andar, Cerqueira Cesar, São Paulo SP Brazil 01414-000	Loss adjusting	100%
EFI Global do Brazil, Ltda	Rua Haddock Lobo, 746-9º andar, Cerqueira Cesar, São Paulo SP Brazil 01414-000	Loss adjusting	100%
inTrust do Brasil Servicios Ltda	Rua Haddock Lobo, 746-4º andar, Cerqueira Cesar, São Paulo SP Brazil 01414-000	Loss adjusting	100%
Sedgwick Overseas Limited	60 Fenchurch Street, London, England, EC3M 4AD	Holding company	100%
Cunningham Lindsey Finance Holdings (Luxembourg) Sarl	1 Rue Hildegard von Bingen, Luxembourg, 1282, LU	Holding company	100%
CL Finance Holdings LP	CSC 251 Little Falls Drive, Wilmington, DE 19808, United States	Holding company	100%
Cunningham Lindsey Finance Ireland Limited	10 Earlsfort Terrace, Dublin, D02T380, Ireland	Holding company	100%
Cunningham Lindsey Europe B.V.	Westerstraat 21, Netherlands; 3016DG ; Rotterdam	Holding company	100%
Cunningham Lindsey Nederland Holding B.V.	Westerstraat 21, Netherlands; 3016DG ; Rotterdam	Holding company	100%
Cunningham Lindsey Dutch Caribbean N.V.	Julianaplein 39 A, PO Box 3030.; Willemstad; Curaçao	Loss adjusting	100%

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

9. Fixed asset investments (continued)

The following undertakings are held indirectly:

Name of undertaking	Country of incorporation or registration	Principal activity	
Cunningham Lindsey Aruba N.V.	L.G. Smith Blvd. 160, Unit 402-D, Oranjestad West, Aruba	Loss adjusting	100%
Relet B.V.	Westerstraat 21. Netherlands; 3016DG ; Rotterdam	Loss adjusting	100%
CLARC Risicomanagement en Inspecties B.V.	Westerstraat 21. Netherlands; 3016DG ; Rotterdam	Loss adjusting	100%
Sedgwick Nederland B.V.	Westerstraat 21. Netherlands; 3016DG ; Rotterdam	Loss adjusting	100%
Cunningham Lindsey Marine Limited	Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX	Dormant company	100%
Cunningham Marine Limited	Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX	Dormant company	100%
Sedgwick Nederland TPA B.V.	Westerstraat 21. Netherlands; 3016DG ; Rotterdam	Loss adjusting	100%
Stichting Beheer Derdengelden Cunningham Lindsey Nederland Holding	Westerstraat 21. Netherlands; 3016DG ; Rotterdam	Holding company	100%
Dé Letselschadehulp dienst	van Limburg Stirumstraat 170; Netherlands; 7901AT; Hoogeveen	Holding company	51%
Sedgwick France Holdings SAS	17 Rue Saulnier. Paris, France; 75009	Holding company	100%
CL France SAS	17 Rue Saulnier. Paris, France; 75009	Loss adjusting	100%
Cleris SAS	92-98 Boulevard Victor Hugo. Batiment A2. Clichy, France; 92110	Loss adjusting	100%
Sedgwick France SA	Le Carillon, 5-6 Esplanade Charles de Gaulle, 92000 Nanterre, France	Loss adjusting	100%
Sedgwick Belgium N.V.	Box 16, Noorderlaan 133, Antwerp, Belgium	Loss adjusting	100%
Sedgwick Leif Hansen A/S	Lautrupvang 8. Ballerup, Denmark; 2750	Loss adjusting	20%
Sedgwick Nordic ApS	Lautrupvang 8. Ballerup, Denmark; 2750	Loss adjusting	55%
Sedgwick Norway AS	Hoffsveien 1A. Oslo, Norway; 0275	Loss adjusting	55%
Cunningham Lindsey Sweden AB	Englundavägen 13. Solna, Sweden; 17141	Loss adjusting	100%
Sedgwick Iberia SL	Calle Martinez Villergas, 52 - 1 PLT Oficina IZ, Madrid, 28027, Spain	Loss adjusting	100%
Oterin Portugal	Rua Mario Dionisio, 4 C. Moinhos da Funcheira. Amadora, Portugal. 2650-184	Loss adjusting	60%
Sedgwick Investment Holdings (Pty) Ltd.	Nampak House, Hampton Office Park 20, Georgian Crescent, Bryanston, South Africa	Holding company	100%

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

9. Fixed asset investments (continued)

The following undertakings are held indirectly:

Name of undertaking	Country of incorporation or registration	Principal activity	
Sedgwick South Africa (Pty) Limited	48 Grovena Rd, Byanston, 20914, ZA	Loss adjusting	100%
CLI Insurance Services Limited	Infinity House, Dublin, 18, CO Dublin, Ireland	Loss adjusting	100%
GAB Robins Deutschland GmbH	Gereonstr. 34-36. Cologne, Germany 50670	Dormant company	100%
Sedgwick Germany GmbH	Wilhelmstraße 96. Wülfrath, Germany; 42489	Loss adjusting	100%
Cunningham Lindsey China Co. Limited	Room 801/808. Finance Square. No. 333 Jiu Jiang Road. Huang Pu District. Shanghai, China; 2000001	Loss adjusting	100%
Sedgwick Lercari SRL	Via Roma 8A, Genova, 16121, Italy	Loss adjusting	51%
Sedgwick International UK Holdings Limited	60 Fenchurch Street, London, England, EC3M 4AD	Loss adjusting	100%
Sedgwick International UK	60 Fenchurch Street, London, England, EC3M 4AD	Loss adjusting	100%
CL Dormant 123 Limited	60 Fenchurch Street, London, England, EC3M 4AD	Dissolved 22/05/18	100%
Weathernet Limited	60 Fenchurch Street, London, England, EC3M 4AD	Provision of weather information	63.40%
Sedgwick UK Regulated Activities Limited	60 Fenchurch Street, London, England, EC3M 4AD	Loss adjusting	100%
Oriel Services Limited	60 Fenchurch Street, London, England, EC3M 4AD	Contractor network management	100%
Sedgwick UK Completion Services Limited	60 Fenchurch Street, London, England, EC3M 4AD	Provision of warranty fund	100%
Sedgwick Outsource Services Ireland Limited	Merrion Hall, Strand Road, Sandymount, Dublin 4, Ireland	Loss adjusting	100%
Vericclaim Ireland Limited	Merrion Hall, Strand Road, Sandymount, Dublin 4, Ireland	Loss adjusting	100%
Clonmore Limited Liability	Merrion Hall, Strand Road, Sandymount, Dublin 4, Ireland	Loss adjusting	100%
Sedgwick Puerto Rico Inc.	1100 Ridgeway Loop Road, Second Floor, Memphis, TN, 38120, USA	Insurance claims administration and adjusting	100%

The directors believe that the carrying value of the investments is supported by the value of the underlying businesses.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

10. Debtors

	2018 \$'000	2017 (restated) \$'000
Amounts falling due within one year:		
Amounts owed by group undertakings	417,291	312,799
Corporation tax	-	22,483
	417,291	335,282
Amounts falling due after more than one year		
Amounts owed by group undertakings	-	86,454
Aggregate amounts	417,291	421,736

The amounts owed by group undertakings due within one year, or on demand, are unsecured and bear interest between minus .18% and 8.25% (2017: .52% and 8%) per annum.

The prior year amounts owed by group undertakings after more than one year were unsecured and bore interest between 5.00% and 6.24% per annum.

11. Creditors: amounts falling due within one year

	2018 \$'000	2017 (restated) \$'000
Amounts owed to group undertakings	691,424	299,300
Corporation tax	1,724	-
	693,148	299,300

The amounts owed to group undertakings are unsecured, repayable on demand, and bear interest between minus .18% and 8.26% (2017: 0.52% to 8.00%) per annum.

12. Creditors: amounts falling due after more than one year

	2018 \$'000	2017 \$'000
Amounts owed to group undertakings	-	372,203

The prior year amounts owed to group undertakings were unsecured and bore interest between 5.39% and 8.26% per annum.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

13. Called-up share capital

	2018 \$'000	2017 \$'000
Allotted, called-up and fully paid		
3,034,610,400 (2017: 3,034,610,400) ordinary shares of £0.01 each	44,938	44,938

14. Capital reserve

In February 2009, a loan note of EUR 9,676,000 (\$13,358,000) was incurred by the group as part of the purchase of the EFI interest from GAB North America. As part of this process, the loan receivable was transferred to the Company via a capital contribution.

In October 2009, loans advanced to senior management for purchasing Cunningham Lindsey Group Limited ("CLGL") shares, recorded initially within CLGL were pushed down to the relevant local entity. As part of this transaction, the Company received a capital contribution of \$1,292,000 from Sedgwick UK Holdings Limited (formerly Cunningham Lindsey Holdings (UK) Limited).

In June 2010 and October 2010, the group acquired a number of entities through its subsidiaries. These were financed by means of capital contributions from Cunningham Lindsey Group Limited to the relevant entities. As part of this process, the Company received capital contributions of \$2,392,000 in June 2010 and \$174,000 in October 2010 from Sedgwick UK Holdings Limited (formerly Cunningham Lindsey Holdings (UK) Limited). These were then passed down to Cunningham Lindsey Holdings (Delaware) LLC via a capital contribution to its subsidiary undertaking.

15. Other financial commitments

Sedgwick B.V. (formerly CL Intermediate Holdings I B.V.) entered into the 2013 Credit Agreement on 10 December 2012, with two institutional loans - First Lien and Second Lien - and a revolving credit facility.

The Credit agreement, as amended, provides for a maximum available borrowing capacity of \$620,000,000 comprised of: (i) \$410,000,000 under the First Lien with a seven-year maturity expiring 10 December 2019 and (ii) \$110,000,000 under the Second Lien with a seven- year plus six months maturity expiring 10 June 2020.

Sedgwick UK Holdings II Limited is one of the guarantors on the above mentioned credit agreement. This charge was satisfied on 14 April 2018.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

16. Ultimate parent undertakings and controlling party

The Company's immediate parent company is Sedgwick UK Holdings Limited, a company registered in England and Wales. The ultimate parent company is Sedgwick, L.P., a company registered in the Cayman Islands.

The ultimate controlling shareholder of Sedgwick, L.P. is CP Encore Holdings, L.P. CP Encore Holdings, L.P. do not issue financial statements that are available to the public.

The largest and smallest group for which consolidated financial statements are prepared and are available to the public is Sedgwick L.P. The financial statements of Sedgwick L.P. may be obtained from The Netherlands Chamber of Commerce (Kamer van Koophandel, KVK) by writing to (if outside The Netherlands) Chamber of Commerce, P.O. Box 48, 3500 AA Utrecht, The Netherlands, or online via: <https://portal.kyckr.com/companySearch.aspx> The financial statements of Sedgwick L.P. may also be obtained from the registered office of the Company at 60 Fenchurch St, London, EC3M 4AD.

17. Impact of adoption of new accounting standards

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Company's financial statements.

a) IFRS 9 Financial Instruments – impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 did not result in adjustments to the amounts recognised in the Company's financial statements. Financial assets held by the Company are balances with fellow group undertakings. There is no material impact of adopting an expected credit loss model for impairment of these financial assets.

b) IFRS 15 Revenue from Contracts with Customers – impact of adoption

The adoption of IFRS 15 Revenue from Contracts with Customers from 1 January 2018 does not impact the holding company activity of the Company and accordingly it has not resulted in changes in accounting policies or adjustments to the amounts recognised in these financial statements.

18. Post-balance sheet events

There were no post balance sheet events.

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

19. Prior year adjustments

A review of intercompany transactions resulted, as explained in the directors' report and note 1 of these financial statements, in the following restatement of the 31 December 2017 financial statements:

As at 1 January 2017

	As previously reported	Adjustment	As restated
	\$'000	\$'000	\$'000
Net assets	88,298	(151,522)	(63,224)
Retained earnings	26,144	(151,522)	(125,378)

As at 31 December 2017

	As previously reported	Adjustment	As restated
	\$'000	\$'000	\$'000
Investments	266,458	(124,412)	142,046
Debtors	449,563	(27,827)	421,736
Cash at bank and in hand	13,981	-	13,981
Creditors due in less than one year	(314,225)	14,925	(299,300)
Net current assets	149,319	(12,902)	136,417
Creditors due in more than one year	(355,202)	(17,001)	(372,203)
Net assets	60,575	(154,315)	(93,740)
Retained earnings	(1,579)	(154,315)	(155,894)

Sedgwick UK Holdings II Limited

Notes to the financial statements For the year ended 31 December 2018

19. Prior year adjustments (continued)

Year ended 31 December 2017

	As previously reported	Adjustment	As restated
	\$'000	\$'000	\$'000
Administrative expenses	(16)	(1)	(17)
Operating Loss	(16)	(1)	(17)
Interest income	9,557	3,066	12,623
Interest expense	(46,182)	(6,523)	(52,705)
Profit before tax	(36,641)	(3,458)	(40,099)
Taxation	8,918	665	9,583
Profit for the year	(27,723)	(2,793)	(30,516)