

Registered number: 01815126

**CATLIN UNDERWRITING AGENCIES LIMITED**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

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COMPANIES HOUSE

# **CATLIN UNDERWRITING AGENCIES LIMITED**

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# **CATLIN UNDERWRITING AGENCIES LIMITED**

## **COMPANY INFORMATION**

Directors and officers at the date that the report is signed:

### **DIRECTORS**

J Harris	
P Bradbrook	
P Greensmith	
P Jardine	
B Joseph	(Non-Executive)
C Ighodaro	(Non-Executive)
P Wilson	(Non-Executive)
R Glauber	(Non-Executive)
S Catlin	(Non-Executive)

### **COMPANY SECRETARY**

M Rees

### **REGISTERED NUMBER**

01815126

### **REGISTERED OFFICE**

20 Gracechurch Street  
London  
EC3V 0BG  
United Kingdom

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London SE1 2RT  
United Kingdom

## CATLIN UNDERWRITING AGENCIES LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report for the year ended 31 December 2016.

#### BUSINESS REVIEW

The principal activity of Catlin Underwriting Agencies Limited ("CUAL" or the "Company") continues to be that of a managing agent at Lloyd's, managing Syndicates 1209, 2003, 2088, 3002, 6111, 6112, 6119 and 6121. The directors consider the level of activity to be in line with expectations and the year-end financial position to be satisfactory.

Four Special Purpose Arrangements ("SPAs") have been established by third-party capital providers to underwrite Whole Account Quota Share ("WAQS") reinsurance of Syndicate 2003. SPA 6111 and 6112 were established from the 2012 year of account. SPA 6119 and 6121 were established from the 2014 and 2015 year of accounts respectively. The Special Purpose Arrangements ("SPAs") have been managed by the Company and have generated fees and commissions payable to the Company.

A change in accounting preparation relating to the deferral of agency fees has been applied in the 2016 financial statements. Deferred agency fees relating to previous years of accounts' fees have been recognised in full during 2016 and no deferral of current year agency fees has been applied. This has resulted in additional income of £2.7m in the 2016 financial year.

For 2017 underwriting year, three of the SPAs (6112, 6119, 6121) will cease to underwrite WAQS reinsurance of Syndicate 2003.

#### FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators ("KPIs") are factors by reference to which the performance or position of the business of the Company can be measured effectively. Management monitor the progress of the Company by reference to the following KPIs:

	2016 £	2015 £
Operating profit	29,863,127	21,949,294
Net current assets	72,352,159	51,169,047
Lloyd's Annual Financial Return (AF1) net current assets margin	72,269,204	50,021,075

#### PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedures and internal controls, in line with the wider XL Group that aims to integrate existing risk programs into a more holistic embedded Group-wide risk and capital management framework.

The Directors have considered all financial risks of the Company. The majority of the Company's financial assets are comprised of amounts receivable from group undertakings. The trading activity of the Company is minimal and adequate funds are available to meet all future liabilities. The Directors do not believe that there are any significant interest rate, currency, liquidity, credit or price risks. Therefore, the Board consider the Company to have minimal exposure to financial risks.

This report was approved by the Board and signed on its behalf by:



**P Bradbrook**  
Director  
25 May 2017

## CATLIN UNDERWRITING AGENCIES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

#### DIRECTORS

The Company Directors who held office during the year and up to the date of signing the annual accounts were:

J Harris		
P Bradbrook		
P Greensmith		
P Jardine		
A McMellin		Resigned 1 January 2017
G Bruce-Smythe		Resigned 13 February 2016
J Gale		Resigned 1 January 2017
N Robertson		Resigned 31 July 2016
O Whelan		Resigned 13 February 2016
S Long		Resigned 13 February 2016
P Wilson	(Non-Executive)	
R Glauber	(Non-Executive)	
S Catlin	(Non-Executive)	
B Joseph	(Non-Executive)	Appointed 8 September 2016
C Ighodaro	(Non-Executive)	Appointed 12 January 2017
R Cowdell	(Non-Executive)	Resigned 16 April 2016

#### FUTURE DEVELOPMENTS

Growth and development of the business through the Syndicates will continue to be encouraged and supported by the Board. SPA 6111 will continue to underwrite WAQS reinsurance of Syndicate 2003 during 2017.

#### DIVIDENDS

No interim dividend was paid and the Directors do not propose to pay a final dividend (2015: £nil).

#### INDEPENDENT AUDITORS

The shareholders have dispensed with the requirements to hold Annual General Meetings and appoint auditors annually, through an elective resolution. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed.

**CATLIN UNDERWRITING AGENCIES LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") issued by the financial Reporting Council.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 regulations and the relevant provisions of Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

**STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each of the persons who is a Director at the time when this Directors' Report is approved has confirmed that:

- as far as each director is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2016 of which the auditors are unaware; and
- that each Director has taken all the steps that ought to have been taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



**P Bradbrook**  
Director  
25 May 2017

## **CATLIN UNDERWRITING AGENCIES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS' OF CATLIN UNDERWRITING AGENCIES LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Our opinion**

In our opinion, Catlin Underwriting Agencies Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **What we have audited**

The financial statements, included within the Annual Report for the year ended 31 December 2016, comprise:

- the Statement of Profit or Loss for the year then ended;
- the Statement of Changes in Equity for the year then ended
- the Statement of Financial Position as at 31 December 2016; and
- the Notes to the financial statements for the year ended 31 December 2016, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

#### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

##### **Adequacy of accounting records and information and explanation received**

Under the Companies Act 2006 we are required to report to you 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 no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## CATLIN UNDERWRITING AGENCIES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN UNDERWRITING AGENCIES LIMITED (CONTINUED)

#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

##### Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



**Matthew Nichols (Senior Statutory Auditor)**  
for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

26 May 2017



**CATIN UNDERWRITING AGENCIES LIMITED**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>TURNOVER</b>	2	<b>29,915,732</b>	<b>21,937,862</b>
Other operating income		279,216	159,340
Administrative expenses		<u>(331,821)</u>	<u>(147,908)</u>
<b>OPERATING PROFIT</b>	3	<b><u>29,863,127</u></b>	<b><u>21,949,294</u></b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>29,863,127</b>	<b>21,949,294</b>
Tax on profit on ordinary activities	5	<u>(5,972,625)</u>	<u>(4,443,980)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>23,890,502</u></b>	<b><u>17,505,314</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the Statement of Profit or loss.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

**CATLIN UNDERWRITING AGENCIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total £
<b>Balance as at 1 January 2015</b>	400,000	30,556,343	30,956,343
Profit for the year	-	17,505,314	17,505,314
Dividends paid	-	-	-
<b>Balance as at 31 December 2015</b>	<u>400,000</u>	<u>48,061,657</u>	<u>48,461,657</u>
Profit for the year	-	23,890,502	23,890,502
<b>Balance as at 31 December 2016</b>	<u><u>400,000</u></u>	<u><u>71,952,159</u></u>	<u><u>72,352,159</u></u>

**CATLIN UNDERWRITING AGENCIES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

		2016	2015
	Note	£	£
<b>CURRENT ASSETS</b>			
Debtors	6	96,262,635	70,908,183
Cash and cash equivalents		28	30
		<u>96,262,663</u>	<u>70,908,213</u>
 <b>CREDITORS: amounts falling due within one year</b>	7	<b>(23,910,504)</b>	<b>(19,739,166)</b>
		<u>72,352,159</u>	<u>51,169,047</u>
<b>NET CURRENT ASSETS</b>			
 <b>CREDITORS: amounts falling due after more than one year</b>	8	<b>—</b>	<b>(2,707,390)</b>
<b>NET ASSETS</b>		<u><u>72,352,159</u></u>	<u><u>48,461,657</u></u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	9	400,000	400,000
Profit and loss account		<u>71,952,159</u>	<u>48,061,657</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<u><u>72,352,159</u></u>	<u><u>48,461,657</u></u>

The notes on pages 10 to 15 form part of these financial statements. These financial statements were approved by the Board of Directors and signed on its behalf by:



**P Bradbrook**  
Director  
25 May 2017

## **CATLIN UNDERWRITING AGENCIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation**

These financial statements have been prepared in accordance with the accounting standards in the United Kingdom including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), issued by the Financial Reporting Council and in compliance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI2008/410") relating to insurance companies and other requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the previous years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

The preparation of these financial statements required the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in this statement of accounting policies and specifically in the following notes:

Note 7 and 8: Accruals and deferred income.

##### **1.2 Exemption from preparing cash flow statement**

The Company has availed itself of the exemption under FRS 102 section 1 on 'Reduced disclosures for subsidiaries' on the grounds that it is a wholly-owned subsidiary whose ultimate parent is XL Group Ltd (registered in Bermuda) which prepares a group consolidated cash flow statement in its group consolidated financial statements that are publicly available.

##### **1.3 Exemption from disclosing related party transactions**

As the Company is a wholly-owned subsidiary whose ultimate parent XL Group Ltd (registered in Bermuda), the Company has taken advantage of the exemption contained in FRS 102 section 33 'Related Party Disclosures' from disclosing related party transactions with entities which form part of the XL Group Ltd.

##### **1.4 Turnover**

Turnover consists of Lloyd's underwriting agency fees and Lloyd's underwriting profit commission. This is the total amount, excluding value added tax, receivable by the Company in the ordinary course of business for goods supplied and for services provided as principal. Lloyd's underwriting agency fees are calculated as a percentage of capacity for all of the managed Syndicates. Lloyd's underwriting profit commission is calculated as a percentage of managed Special Purpose Arrangements' earned profits, subject to the operation of a deficit clause.

The Lloyd's underwriting agency fees are charged to the managed syndicates and allocated to the first twelve months of each underwriting year of accounts.

##### **1.5 Other operating income**

Other income relates to consideration (receivable under a long term service level agreement) from a third party for the provision of certain Claims, Re-insurance, Finance and Actuarial services. The income is dealt with on an accruals basis.

**CATLIN UNDERWRITING AGENCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1 ACCOUNTING POLICIES (CONTINUED)**

**1.6 Foreign currency**

The Company's financial statements are presented in pound sterling which is the same as its functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of Statement of Financial Position. Non-monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the time of the original transactions and are not re-translated at each year end. Transactions in foreign currencies are translated into sterling at the previous month's closing rates as a proxy for the transactional rates. Exchange gains and losses are recognised in the Statement of Profit or Loss.

**1.7 Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

**CATLIN UNDERWRITING AGENCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2 TURNOVER**

	2016 £	2015 £
Agency fees	<u>29,915,732</u>	<u>21,937,862</u>
	<u>29,915,732</u>	<u>21,937,862</u>

The whole of the turnover arises in the United Kingdom.

Included within other operating income of £279,216 relates to fees received under a service level agreement (2015: £159,340).

**3 OPERATING PROFIT**

The operating profit is stated after charging / (crediting) the following:

	2016 £	2015 £
Audit fee	5,150	5,854
Profit on foreign exchange	—	(23,286)
	<u>5,150</u>	<u>(17,432)</u>

**4 STAFF COSTS**

The Company has no direct employees (2015:nil)

The Company incurred £nil staff costs during the year (2015: £nil). The Directors did not receive any emoluments in respect of their services to the Company (2015: £nil).

**CATLIN UNDERWRITING AGENCIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Tax expense included in the Statement of Profit or Loss**

	2016 £	2015 £
<b>Current Tax:</b>		
On profits for the year at 20% (2015: 20.25%)	<u>5,972,625</u>	<u>4,443,980</u>

**(b) Reconciliation of tax charge**

Tax assessed for the period is the same as the standard rate of corporation tax in the UK of 20% (2015: 20.25%) as explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>29,863,127</u>	<u>21,949,294</u>
Profit multiplied by standard rate of tax in the UK of 20% (2015: 20.25%)	5,972,625	4,443,980
<b>Tax charge for the year</b>	<u>5,972,625</u>	<u>4,443,980</u>

**(c) Tax rate changes**

Changes to the UK Corporation tax rates were substantively enacted as part of Finance (No. 2) Act (on 18 November 2015) and Finance Act 2016 (on 15 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

To the extent available, corporation tax payable/receivable will be group relieved at full value. The assessment of group relief will be completed at the time of the filing the appropriate tax returns.

**CATLIN UNDERWRITING AGENCIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**6 DEBTORS**

	2016 £	2015 £
Profit commission due from managed syndicate	10,299,323	7,786,357
Amounts owed by managed syndicates	18,880,100	12,870,635
Amounts owed by group undertakings	67,001,466	50,251,191
Other debtors	81,746	—
	<u>96,262,635</u>	<u>70,908,183</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Other debtors include amounts owed by third parties and relates to agency fees and profit commissions owed by the Special Purpose Arrangements from funds held on their behalf by Syndicate 2003. Agency fees are payable bi-annually in equal installments and profit commissions are payable when their Underwriting Year of Account closes.

**7 CREDITORS:**  
**Amounts falling due within one year**

	2016 £	2015 £
Amounts owed to group undertakings	17,932,729	10,565,299
Corporation tax	5,972,625	4,443,980
Other creditors	—	—
Accruals and deferred income	5,150	4,729,887
	<u>23,910,504</u>	<u>19,739,166</u>

Included within the 2015 accruals and deferred income was the 2014 and 2015 underwriting years' managing agency fees of £2.9m and £1.8m respectively. From 1 January 2016 managing agency fees have been recognised in the first twelve months of each underwriting year of account and therefore these amounts were recognised in full in the 2016 Statement of Profit and Loss. This is a change in accounting estimate so has been accounted for prospectively.



**CATLIN UNDERWRITING AGENCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8 CREDITORS:**  
Amounts falling due after more than one year

	2016 £	2015 £
Accruals and deferred income	<u>—</u>	<u>2,707,390</u>

Included within the 2015 accruals and deferred income was the 2015 underwriting year's managing agency fees of £2.7m. From 1 January 2016 managing agency fees have been recognised in the first twelve months of each underwriting year of account and therefore this amount was recognised in full in the 2016 statement of profit and loss. This is a change in accounting estimate so has been accounted for prospectively.

**9 CALLED UP SHARE CAPITAL**

	2016 £	2015 £
Allotted, called up and fully paid		
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

**10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company is a wholly-owned subsidiary of Catlin Holdings Limited, a Company registered in England and Wales.

The Company's ultimate parent undertaking is XL Group Ltd, a Company registered in Bermuda. XL Group Ltd is the parent Company of the smallest and largest group of undertakings for which the group financial statements are drawn up.

The results of the Company are consolidated within the financial statements of XL Group Ltd. Copies of the audited financial statements of both parent undertakings' can be obtained from the Company Secretary, 20 Gracechurch Street, London, EC3V 0BG.