

GreyCastle Services Limited

Registered in the United Kingdom
Company number 09019536

Annual Report and Financial Statements
For the year ended 31 December 2016

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GreyCastle Services Limited

Company information

For the year ended 31 December 2016

GreyCastle Services Limited

Company number: 09019536 (Registered in the United Kingdom)

Registered address: 20 Fenchurch Street
London
EC3M 3BY

Directors: Raymond Brooks
Neil Russell
John Cordey

Independent auditors: PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

GreyCastle Services Limited

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GreyCastle Services Limited

Strategic Report

For the year ended 31 December 2016

The directors present their strategic report for GreyCastle Services Limited ("the Company") for the year ended 31 December 2016. The Company had changed its accounting reference date from 30 April to 31 December in 2015.

Principal activities

GreyCastle Services Limited (the "Company") was incorporated in the United Kingdom on 30 April 2014 as a wholly owned subsidiary of GreyCastle Holdings Ltd ("GHL"), a company incorporated as an exempted company under the laws of Bermuda.

GHL was incorporated to facilitate the acquisition of all of the issued and outstanding shares of XL Life Reinsurance (SAC) Ltd ("XL Life Re") from XL Insurance (Bermuda) Ltd. on 30 May 2014. On 4 June 2014 XL Life Re was subsequently renamed GreyCastle Life Reinsurance (SAC) Ltd ("GLR").

Under the terms of the acquisition of XL Life Re, staff supporting the reporting requirements of XL Life Re would transfer to the Company from XL Services UK Limited ("XL Services"), with the transition of staff to the Company subsequently completing on 1 March 2015.

GHL, through GLR, provides certain life retrocessional coverage to XL Re Ltd., XL Re Ltd (UK Branch) and XL Re Europe SE (collectively "XL entities").

The Company entered into services agreements with GHL and GLR to provide administration services as required to assist in the reporting requirements of both companies. On 15 May 2014 the Company also entered into an Administration Services Agreement ("ASA") to provide administration services as required to assist in the reporting requirements of the XL entities.

No change to the principal activities of the business is expected in the next 12 months.

Review of the business

In the year to 31 December 2016 the Company made a profit for the financial year of £457,109 (8 months to 31 December 2015: £250,900), which was in the main driven by service fees charged to GLR and the XL entities for provision of administration services. The net asset value of the Company at 31 December 2016 was £775,097 (31 December 2015: £317,988).

It is expected that the Company will continue to make a small profit each year as a result of service fees received for administration services provided and, accordingly, these financial statements have been prepared on the going concern basis.

The principal risks to the Company relate to the cessation of service agreements in place with GHL and GLR, or the ASA with the XL entities. This is, however, considered unlikely given the long-term nature of the business for which administration services are provided and the strategy of the GreyCastle group of companies to want to further grow its portfolio of business in the future.

On behalf of the board

John Cordey
Director
30 June 2017



GreyCastle Services Limited

Directors' Report

For the year ended 31 December 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

Future developments

The principal activities of the Company, as outlined in the strategic report, are not expected to change over the next 12 months.

Dividends

No dividends have been recommended or paid during the year.

Directors

The directors who held office to the date of this report were as follows:

Raymond Brooks	Appointed 30 April 2014
Neil Russell	Appointed 18 March 2015
John Cordey	Appointed 1 October 2015

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

GreyCastle Services Limited

Directors' Report

For the year ended 31 December 2016

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and the Board will propose a resolution concerning their re-appointment.

On behalf of the board



John Cordey

Director

30 June 2017

Independent auditors' report to the members of GreyCastle Services Limited

Report on the financial statements

Our opinion

In our opinion, GreyCastle Services 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 profit and cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - 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 and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In 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 explanations 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.

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 2, 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' judgements against available evidence, forming our own judgements, 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.



Kate McDonald (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2017

GreyCastle Services Limited

Profit and loss account and statement of comprehensive income For the year ended 31 December 2016

Profit and loss account and statement of comprehensive income

		Year Ended 31 December 2016	Period Ended 31 December 2015
	Notes	£	£
Turnover	4	6,519,901	4,503,686
Administrative expenses	4	(5,970,232)	(4,157,881)
Operating profit	4	549,669	345,805
Interest payable and similar expenses		49,854	(22,992)
Profit before taxation		599,523	322,813
Tax on profit	6	(142,414)	(71,913)
Profit for the financial year/period		457,109	250,900
Total comprehensive income for the year/period		457,109	250,900

There are no items of comprehensive income for the year ended 31 December 2016 other than the profit for the financial year of £457,109 (8 months to year ended 31 December 2015: profit of £250,900).

GreyCastle Services Limited

Balance sheet

As at 31 December 2016

Balance Sheet

		As at 31 December 2016	As at 31 December 2015
	Notes	£	£
Fixed Assets			
Intangible assets	7	189,363	252,484
Tangible assets	8	119,099	148,155
		<u>308,462</u>	<u>400,639</u>
Current Assets			
Debtors	9	2,158,346	179,298
Cash at bank and in hand		<u>1,739,694</u>	<u>1,265,155</u>
		3,898,040	1,444,453
Creditors: amounts falling due within one year	10	<u>(3,431,405)</u>	<u>(1,527,104)</u>
Net current assets / (liabilities)		<u>466,635</u>	<u>(82,651)</u>
Total assets less current liabilities and net assets		<u>775,097</u>	<u>317,988</u>
Capital and reserves			
Called up share capital	11	100	100
Retained earnings		<u>774,997</u>	<u>317,888</u>
Total equity		<u>775,097</u>	<u>317,988</u>

The notes on pages 6 to 17 are an integral part of these financial statements.

The financial statements and accompanying notes on pages 6 to 17 were authorised for issue by the board of directors on 30 June 2017 and were signed on its behalf.



John Cordey
Director

GreyCastle Services Limited
Company registration number 09019536

GreyCastle Services Limited

Statement of changes in equity

For the year ended 31 December 2016

Statement of changes in equity

	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2016	100	317,888	317,988
Profit for the financial year and total comprehensive income	-	457,109	457,109
Balance as at 31 December 2016	100	774,997	775,097

GreyCastle Services Limited

Statement of cash flows

For the year ended 31 December 2016

Statement of cash flows

		Year Ended 31 December 2016	Period Ended 31 December 2015
	Note	£	£
Net cash from operating activities	12	(1,064,936)	1,329,490
Taxation paid		-	-
Net cash (used in) /generated from operating activities		(1,064,936)	1,321,490
Cash flows from investing activities			
Purchases of tangible assets		(10,379)	-
Net cash change in investing activities		(10,379)	-
Cash flows from financing activities			
Net interest expense and foreign exchange gains and losses		49,854	(22,992)
Receipt/(return) of cash from/(to) Group company		1,500,000	(5,000,000)
Net cash generated from/(used in) financing activities		1,549,854	(5,022,992)
Increase/(Decrease) in cash at bank and in hand		474,539	(3,693,502)
Cash at bank and in hand - beginning of year/period		1,265,155	4,958,657
Cash at bank and in hand - end of year/ period		1,739,694	1,265,155

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

1. *Company information*

GreyCastle Services Limited ("the Company") is incorporated and domiciled in the UK. The address of its registered office and principal place of business is 20 Fenchurch Street, London, EC3M 3BY.

Further information on the Company's principal activities for the year ended 31 December 2016 is included in the strategic report and directors' report to these financial statements.

2. *Basis of preparation*

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Ireland" ("FRS 102"), and with the Companies Act 2006.

The financial statements are presented in Sterling (£). Accounting policies have been applied consistently throughout the period covered by these financial statements.

Going concern

These financial statements have been prepared on the going concern basis. Reviewing the forecasts and projections for the Company the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has not taken advantage of any available exemptions for qualifying entities.

Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors. The estimated useful economic life of fixed assets is determined on acquisition and the carrying value is then reviewed regularly to determine whether any impairment to recoverable amount exists.

There are no perceived accounting estimates or assumptions that have a risk of causing material adjustment to the financial position of the Company within the next financial year.

3. *Principal accounting policies*

(a) Turnover

Turnover is reflective of fees received for services provided to GreyCastle group entities and the XL entities and the recharge of expenses incurred in providing those services. The Company adopts an accruals based approach to income recognition, with recognition taking place when the services have been provided or expenses incurred.

All turnover is received from services provided to entities residing in Bermuda.

(b) Administrative expenses

The Company incurs expenses in order to provide services to both GreyCastle group entities and the XL entities. Expenses are recognised on the accruals basis with recognition in the period in which goods or services have been received.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

3. *Principal accounting policies (continued)*

(c) **Intangible assets**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised over its estimated useful life of 5 years, with amortisation and impairment losses recognised within profit and loss.

The assets are reviewed annually for impairment with the carrying value adjusted accordingly where evidence of impairment exists.

(d) **Tangible assets**

(i) Fixtures and fittings

Fixtures and fittings are capitalised on the balance sheet and are initially carried at historical cost, with the carrying value reviewed annually. All depreciation and impairments to carrying value are recognised within profit and loss.

The Company views the useful life of fixtures and fittings to be five years and accordingly depreciation is recognised over this period on a straight line basis, allowing for adjustments related to impairments.

(ii) Computer equipment

Computer equipment is capitalised on the balance sheet and initially carried at historical cost, with the carrying value reviewed annually. All depreciation and impairments to carrying value are recognised within profit and loss.

The Company views the useful life of computer equipment to be five years and accordingly depreciation is recognised over this period on a straight line basis, allowing for adjustments related to impairments.

(e) **Debtors**

Short-term debtors are measured at the perceived recoverable amount, which in most cases is representative of transaction cost, or the value of income accrued, less provision for impairment.

(f) **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand and deposits held at call with banks.

(g) **Employee benefits**

The Company provides a range of benefits to employees, including annual bonus, paid holiday, private medical insurance and a defined contribution pension plan.

(i) Short-term benefits

Short-term benefits including holiday pay and any other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

3. *Principal accounting policies (continued)*

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

Taxation for the period comprises current tax recognised in the reporting period. Tax is recognised in the profit and loss account, other comprehensive income or directly in equity as applicable.

Current tax assets and liabilities are not discounted.

(i) Current tax

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

(i) Foreign currency transactions

Foreign currency transactions are recorded through profit and loss, translated at the average rate of exchange for the month of the transaction. Foreign currency assets and liabilities are translated at the closing rate of exchange calculated at the end of the applicable reporting period.

(j) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expenses, on a straight line basis over the period of the lease.

(k) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

4. Operating profit

Turnover for the year of £6,519,901 (8 months to year ended 31 December 2015: £4,503,686) is reflective of fees received for services provided to GreyCastle group entities and the XL entities and the recharge of expenses incurred in providing those services.

Operating profit of £549,669 (8 months to year ended 31 December 2015: £345,805) is stated after charging for the following:

	Year Ended 31 December 2016 £	Period Ended 31 December 2015 £
Wages and salaries	3,175,241	2,075,577
Social security costs	316,300	142,665
Other pension	250,793	172,965
Other staff related	57,342	40,033
Staff costs	3,799,676	2,431,240
IT and systems expenses	967,841	936,897
Occupancy related costs	709,311	484,509
Professional and consultancy expenses	192,753	124,203
Audit fees	63,333	21,352
Other expenses (including amortisation and depreciation)	237,318	159,680
Total administrative expenses	5,970,232	4,157,881

5. Employees and directors

The average monthly number of persons (including executive directors) employed by the Company during the year to 31 December 2016 was 28.5 (8 months to 31 December 2015: 28.5).

Emoluments received by directors during the year for qualifying services provided to the Company were as follows:

	Year Ended 31 December 2016 £	Period Ended 31 December 2015 £
Directors' emoluments		
Aggregate emoluments	835,788	196,333
Company contributions to defined contribution pension scheme	21,807	24,583
Total	857,595	220,916

Emoluments received by the highest paid director amounted to £583,345, which includes £6,247 in respect of company contributions into a defined contribution pension scheme.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

6. Tax on profit

UK corporation tax recognised for the year amounts to a charge of £142,414 (8 months to year ended 31 December 2015: charge of £71,913). This charge has been subject to Group relief, as a result of the utilisation of tax losses incurred by the Company's immediate parent GreyCastle Holdings Ltd. During the year an additional liability of £142,414 (period ended 31 December 2015: £71,913) has therefore been recognised in the balance sheet as an intercompany payable.

Reconciliation of corporation tax charge

	Year Ended 31 December 2016 £	Period Ended 31 December 2015 £
Profit before taxation	599,523	322,813
Non-taxable income/(expense)	45,503	-
Adjusted profit before taxation	645,026	322,813
Profit multiplied by the standard rate of corporation tax in the UK of 20% (31 December 2015: 20%)	129,005	64,562
Adjustment in respect of prior period	13,409	7,351
Tax charge for the year	142,414	71,913

The adjustment in respect of the prior period is reflective of the difference between the tax computations included in the prior period results and the more detailed computations that were filed with HM Revenue and Customs.

In November 2015, it was announced that the UK corporate tax rate will be reduced to 19% in 2017 and to 18% in 2020. These changes in tax rates will affect tax charges/credits recognised in future reporting periods.

7. Intangible assets

	Computer software £
As at 1 January 2016	252,484
Additions	-
Amortisation charge for the year	(63,121)
Net book amount as at 31 December 2016	189,363

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

8. Tangible assets

	Fixtures and fittings £	Computer equipment £	Total £
As at 1 January 2016	75,914	72,241	148,155
Additions	-	10,379	10,379
Impairments	-	(2,207)	(2,207)
Depreciation charge for the year	(19,382)	(17,846)	(37,228)
Net book amount as at 31 December 2016	56,532	62,567	119,099

Fixtures and fittings are reflective of the cost of fixtures and fittings purchased as part of the initial fit-out of the Company's registered address. Depreciation is being recognised on a straight line basis over 5 years, commencing from 24 November 2014 being the signing date of the 5 year lease agreement for the company's registered address.

9. Debtors

	As at 31 December 2016 £	As at 31 December 2015 £
Amounts owed by group undertakings	1,890,179	-
Prepayments and accrued income	124,057	74,400
Service fee income accruals	70,814	58,819
Other assets	40,000	-
VAT recoverable amount	33,296	46,079
Total debtors	2,158,346	179,298

VAT recoverable amounts are representative of VAT incurred on expenses that the Company believes it will be able to recover. The Company does not provide any services on which VAT is chargeable.

Prepayments are reflective of expenses settled during the year that continue to provide benefit to the Company in future periods. These amounts are held as an asset on the balance sheet and are recognised on a straight line basis through profit and loss over the period in which the benefits are received.

Service Fee income accruals relate to amounts due from the XL entities for services provided during the year, but which have not been settled at the balance sheet date.

As at 31 December 2016, all debtor balances are considered to be due within one year.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

10. Creditors: amounts falling due within one year

	As at 31 December 2016	As at 31 December 2015
	£	£
Amounts owed to group undertakings	(1,754,117)	(235,240)
Other creditors	(1,112)	(51,452)
Accruals and deferred income	(1,676,176)	(1,240,412)
Total creditors: amounts falling due within one year	(3,431,405)	(1,527,104)

As at 31 December 2016, amounts owed to group undertakings reflect amounts payable to GreyCastle Holdings Ltd., the Company's parent undertaking. In May 2016 GreyCastle Holdings Ltd. issued a loan to the Company of £1.5 million to provide working capital. The loan was issued with a zero rate of interest and is repayable on demand. The remaining £254,117 is reflective of amounts due in respect of group taxation relief and expenses paid by GreyCastle Holdings Ltd. on behalf of the Company.

Accruals and deferred income are primarily related to staff bonus accruals and rental lease costs, for which settlement has yet to take place.

Other creditors are representative of amounts due in settlement of fixtures and fittings acquired as part of the fit-out of the Company's registered address.

11. Called up Share capital

On 30 April 2014 the Company was registered with allotted and fully paid share capital of 100 ordinary shares of £1 each. The Company has no other class of shares in issue.

12. Note to the statement of cash flows

	Year Ended 31 December 2016	Period Ended 31 December 2015
	£	£
Profit for the financial year/period	457,109	250,900
Tax on profit	142,414	71,913
Interest payable and similar expenses	(49,854)	22,992
Operating profit	549,669	345,805
Amortisation of intangible assets	63,121	42,080
Depreciation of tangible assets	39,435	24,961
Working capital movements:		
- (Increase)/decrease in debtors	(1,979,048)	574,617
- Increase in payables	261,887	342,027
Net cash (used in)/ generated from operating activities	(1,064,936)	1,329,490

Interest payable and similar expenses relate to bank charges and foreign exchange gains and losses incurred during the year.

GreyCastle Services Limited

Notes to the financial statements

For the year ended 31 December 2016

13. Capital and other commitments

The Company had future minimum lease payments under an operating lease related to the lease of premises constituting the Company's registered address. Minimum lease payments are as follows:

	As at 31 December 2016 £	As at 31 December 2015 £
Payment due:		
Not later than one year	313,225	313,225
Later than one year and not later than five years	600,348	913,573
	913,573	1,226,798

14. Related party transactions

The Company is exempt from disclosing related party transactions arising during the year, as all related party transactions were undertaken with other companies wholly owned within the same group.

As at 31 December 2016 the Company had net intercompany payables of £1,754,117 (8 months to year ended 31 December 2015: £114,672) due to GreyCastle Holdings Ltd and £1,890,179 (8 months to year ended 31 December 2015: payable £120,568) receivable from GreyCastle Life Reinsurance (SAC) Ltd; both of whom are related parties of the Company.

Amounts due from GreyCastle Life Reinsurance (SAC) Ltd are largely representative of the net difference between expenses recharged by the Company and cash settlements subsequently made by GreyCastle Life Reinsurance (SAC) Ltd.

Amounts due to GreyCastle Holdings Ltd are largely reflective of a £1.5 million intercompany loan, group taxation relief and expenses paid by GreyCastle Holdings Ltd. on behalf of the Company.

15. Controlling parties

The immediate and ultimate parent undertaking of the Company is GreyCastle Holdings Ltd, a company incorporated as an exempted company under the laws of Bermuda.

The ultimate parent undertaking is the smallest and largest group to consolidate these financial statements.

16. Events after the balance sheet date

There have been no events after the balance sheet date that are perceived to have a material impact on the operations or financial position of the Company.