Company Registration No: 01670887

Finsure Premium Finance Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

Direct Line Group Company Secretariat
Finsure Premium Finance Limited
Churchill Court
Westmoreland Road
Bromley
BR1 1DP

Annual report and financial statements

Contents

Officers and professional advisers

Directors:	R C Clifton H C O'Murchu H M Tomlinson
Company Secretary:	R C Clifton
Registered office:	Churchill Court Westmoreland Road Bromley BR1 1DP
Independent Auditor:	Deloitte LLP 2 New Street Square London EC4 3BZ

Registered in England and Wales

Strategic report

For the year ended 31 December 2017

The Directors present their strategic report for the year ended 31 December 2017.

Activities

The principal activity of Finsure Premium Finance Limited (the "Company") was the financing of insurance premiums which it ceased in 2011. It is the intention of the Directors to place the Company into members' voluntary liquidation in due course.

The Company is a member of the Direct Line Group ("the Group") headed by Direct Line Insurance Group plc ("DLIG") of which the Company is a subsidiary. The Group provides the Company with access to all Group central resources and provides policies in key areas such as finance, risk, human resources and environment. Key performance indicators across the Group taken as a whole are referred to in the DLIG annual report and accounts 2017 ("DLIG annual report") and accordingly for an understanding of the development, performance or position of the Company's business, please refer to the DLIG annual report in conjunction with the financial performance indicators shown below. Copies can be obtained from Direct Line Group Company Secretariat, Churchill Court, Westmoreland Road, Bromley, Kent, BR1 1DP, the Registrar of Companies or through the Group's website at www.directlinegroup.com

Review of the year

Business review

The Company does not trade and the only amounts reported in the current and prior year statement of comprehensive income and balance sheets relate to the Company's on-going existence.

Financial performance

The Company's financial performance is presented in the statement of comprehensive income on page 8. At the end of the year, the balance sheet reflected total assets of £2,808,000 (2016: £2,806,000) and equity of £2,805,000 (2016: £2,792,000).

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2017 (2016: £nil).

Principal risks and uncertainties

The Company's risk management objectives are set out in note 2 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board by:

H C O' Murchu
Director
24 April 2018

Directors' report

For the year ended 31 December 2017

The Directors present their annual report and the audited financial statements for the year ended 31 December 2017.

The Company has chosen, in accordance with section 414c(11) of the Companies Act 2006 and as stated in the Directors' report, to include certain additional matters in its strategic report that would otherwise be required to be disclosed in this Directors' report.

Directors and Secretary

The present Directors and Company Secretary, who have served throughout the year are listed on page 2. There have been no changes from 1 January 2017 to date.

Going concern

As stated previously, the Company does not trade and the only amounts reported to the current and prior year statements of comprehensive income and balance sheet relate to the Company's on-going existence.

Having made due enquiries, the Directors reasonably expect that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements. The Directors may in future consider and if thought fit, decide to place the Company into members' voluntary liquidation.

Employees

All staff are employed by a fellow subsidiary undertaking of DLIG, DL Insurance Services Limited ("DLIS"). Disclosures relating to employees may be found in the DLIS annual report and financial statements.

Disclosure of information of auditor

Each person who was a Director of the Company on the date of approval of this report confirms that:

a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and

b) each Director has 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 Auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Deloitte LLP has expressed its willingness to continue in office as Auditor and it is the intention of the Directors to reappoint Deloitte LLP under the deemed appointment rules of section 487 of the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare a Directors' report and financial statements for each financial year and the Directors have elected to prepare them in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"). In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board ("IASB"). 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 at the end of the year and the profit or loss of the Company for the financial year. In preparing these financial statements, under International Accounting Standard ("IAS") 1, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board by:

H C O' Murchu
Director
24 April 2018

Independent Auditor's report to the members of Finsure Premium Finance Limited

For the year ended 31 December 2017

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU and IFRSs as issued by the IASB; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Finsure Premium Finance Limited (the "Company") which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the EU.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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

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

We have nothing to report in respect of these matters.

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

Independent Auditor's report to the members of Finsure Premium Finance Limited (continued)
For the year ended 31 December 2017

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

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

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

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

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

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

We have nothing to report in respect of these matters.

Adam Addis ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
London, United Kingdom
24 April 2018

Statement of comprehensive income

For the year ended 31 December 2017

	Notes	**2017 £'000**	2016 £'000
Investment return	3	**9**	13
Administration expenses (recovered)	4	**7**	6
Profit before tax		**16**	19
Tax charge	5	**(3)**	(4)
Total comprehensive income for the year attributable to owners of the Company		**13**	15

The attached notes on pages 12 to 17 form an integral part of these financial statements.

Balance sheet

As at 31 December 2017

	Notes	2017 £'000	2016 £'000
Assets			
Loans and receivables	6	**2,781**	2,779
Cash and cash equivalents	7	**27**	27
Total assets		**2,808**	2,806
Equity		**2,805**	2,792
Liabilities			
Trade and other payables	8	**-**	10
Current tax liability	5	**3**	4
Total liabilities		**3**	14
Total equity and liabilities		**2,808**	2,806

The attached notes on pages 12 to 17 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 April 2018.
They were signed on its behalf by:

H C O' Murchu
Director

Statement of changes in equity

For the year ended 31 December 2017

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	1,000	1,777	2,777
Profit for the year	-	15	15
Balance at 31 December 2016	1,000	1,792	2,792
Profit for the year	**-**	**13**	**13**
Balance at 31 December 2017	**1,000**	**1,805**	**2,805**

The attached notes on pages 12 to 17 form an integral part of these financial statements.

Cash flow statement

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Total comprehensive income		**13**	15
Adjustments for:			
Investment return	3	**(9)**	(13)
Tax charge	5	**3**	4
Operating cash flows before movements in working capital		**7**	6
Movements in working capital:			
Net decrease in trade and other payables	8	**(6)**	(4)
Net (decrease) / increase in amount due to related parties	8,10	**(4)**	1
Net cash flows (used in) / generated from operating activities		**(3)**	3
Taxes paid		**(4)**	(4)
Net cash flows used in operating activities		**(7)**	(1)
Cash flows from investing activities			
Loans advanced during the year	10	**(2,780)**	–
Loan repayments from related parties	10	**2,787**	7
Net cash flows generated from investing activities		**7**	7
Net increase in cash and cash equivalents		**–**	6
Cash and cash equivalents at the beginning of the year		**27**	21
Cash and cash equivalents at the end of the year	7	**27**	27

The attached notes on pages 12 to 17 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

1.1 Presentation of accounts

The financial statements have been prepared on the going concern basis (see the Directors' report on pages 4 and 5) and in accordance with IFRSs issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS). The financial statements are prepared on the historical cost basis.

The Company's financial statements are presented in Sterling.

The Company is incorporated in the United Kingdom and registered in England and Wales.

The Company's financial statements are prepared in accordance with the Companies Act 2006.

Going concern

The Company has adequate financial resources and as a consequence, the Directors believe the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual report and financial statements. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 3 and the Directors' report on pages 4 and 5. In addition, note 2 to the financial statements includes the Company's objectives, policies and processes for risk management.

Adoption of new and revised standards

There are no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2017 that have a significant effect on the Company's financial statements. None of the amendments to standards that are effective from 1 January 2017 have a significant effect on the Company's financial statements.

1.2 Revenue recognition

Interest income on financial assets is determined using the effective interest rate method. The effective interest rate method is a way of calculating the amortised cost of a financial asset (or group of financial assets) and of allocating the interest income over the expected life of the asset.

1.3 Taxation

The tax charge or credit represents the sum of the tax currently payable or receivable.

The current tax charge is based on the taxable profits for the year as determined in accordance with the relevant tax legislation, after any adjustments in respect of prior years. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Provision for taxation is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date, and is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity, as appropriate.

1.4 Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on ordinary shares are recognised when they have been approved at the annual general meeting.

1.5 Financial assets

On initial recognition, all financial assets are classified as loans and receivables.

Loans and receivables are initially recognised at fair value plus directly related transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Impairment of financial assets

At each balance sheet date the Company assesses whether there is any objective evidence that loans and receivables balances are impaired. A financial asset is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

1. Accounting policies (continued)

1.5 Financial assets (continued)
If there is objective evidence that an impairment loss on loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset, discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually where significant or collectively for assets that are not individually significant.

1.6 Accounting developments
New IFRSs and amendments that are issued, but not yet effective for the 31 December 2017 reporting period and have not been early adopted by the Company are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

In July 2014, the IASB issued the final version of IFRS 9 'Financial Instruments' that replaces IAS 39 'Financial Instruments: Recognition and Measurement' and all previous versions of IFRS 9; it was endorsed by the EU in 2016. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets and is effective for annual periods beginning on or after 1 January 2018. The new standard is not expected to have any impact on the financial statements of the Company.

In May 2014 the IASB issued IFRS 15 'Revenue from Contracts with Customers' to establish a single comprehensive model to use in accounting for revenue recognition and measurement. The standard provides guidance on when and how combined contracts should be unbundled and when a contract price includes a variable consideration element.

The Company currently has no revenue that falls within the scope of IFRS 15; this will be monitored in future periods.

In December 2017 the IASB issued 'Annual Improvements to IFRS Standards 2015-2017 Cycle' with an effective date of 1 January 2019, which included the following three amendments:

IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangements' – the amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business; the amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 'Income Taxes' – the amendments clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises.

IAS 23 'Borrowing Costs'– the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Directors do not expect that these amendments to have a material impact on the financial statements of the Company.

2. Risk management

2.1 Risk management overview
The Direct Line Insurance Group plc Board ("Group Board") monitors adherence to the risk strategy, risk appetite and risk framework across the Direct Line Group. The Group Board has established a risk management model that separates the business's risk management responsibilities into "3 lines of defence" as set out below.

1st line of defence	- Risk ownership
2nd line of defence	- Oversight, challenge and support of 1st line
3rd line of defence	- Independent assurance

DLIG's annual report contains a comprehensive review of the risk management framework for the whole Group. The Company adheres to this risk management framework.

2.1.1 Risk strategy and risk appetite
The Group's risk appetite statements express the level of risk the Group (including the Company) is prepared to accept to achieve its business objectives. Details of the Group's risk strategy and risk appetite are contained in the DLIG annual report.

2.1.2 Enterprise-wide Risk Management Framework
This sets out, at a high level, the Group's (which includes the Company) approach to setting risk strategy and the Enterprise-wide Risk Management Framework ("ERMF") for managing risks. Details of the Group's ERMF are contained in the DLIG annual report.

2. Risk management (continued)

2.1.2 Enterprise-wide Risk Management Framework (continued)
Copies of the DLIG annual report can be obtained from Direct Line Group Company Secretariat, Churchill Court, Westmoreland Road, Bromley, BR1 1DP, the Registrar of Companies or through the Group's website at www.directlinegroup.com

2.1.3 Principal risks and uncertainties
Risks are always present in business. It is important to ensure that the Company identifies measures, monitors and reports these risks throughout the business on an on-going basis. It also monitors changes in these risks over time. It believes these risks are broadly unchanged over the last year.

The principal risks applicable to the Company are detailed below.

2.2 Market risk
Market risk is the risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. In particular, interest rate risk arises mainly from its loans to related parties. No sensitivity analysis has been provided as the impact is deemed to be immaterial.

2.3 Credit risk
This is the risk of loss resulting from default in cash inflows and / or changes in market value of issuers of securities, counterparties and any debtors to which the Company is exposed. The Company is mainly exposed to counterparty default risk. This is the risk of loss from unexpected default of the Company's counterparties and debtors.

The main source of counterparty default risk is related to the Company's loans and receivables with its parent and fellow subsidiaries.

3. Investment return

	2017 **£'000**	2016 £'000
Interest income from parent (note 10)	**4**	–
Interest income from fellow subsidiaries (note 10)	**5**	13
Interest income from related parties	**9**	13

4. Administration expenses

	2017 **£'000**	2016 £'000
Administration expenses (recovered)[1]	**7**	6

Note:
1. Recovered administration expenses comprises broker debts previously provided as bad debts that have subsequently been recovered in the years ended 31 December 2017 and 31 December 2016.

Staff costs and number of employees
The Company had no employees at any time during the current or preceding year.

Directors' emoluments
The services provided by the Directors of the Company are non-executive in nature and it is not appropriate to allocate their emoluments in respect of services to the Company.

Fees for audit and non-audit services are borne by a fellow subsidiary company.

Fees paid to the Auditor in respect of the statutory audit of the Company's financial statements amount to £2,101 (2016: £2,060). There were no non-audit services recharged during the year (2016: £nil).

Notes to the financial statements (continued)
For the year ended 31 December 2017

5. Tax charge

	2017 £'000	2016 £'000
Current taxation:		
Charge for the year	3	4
Tax charge for the year	**3**	4

The following table analyses the difference between the actual income tax charge and the expected income tax charge computed by applying the standard rate of UK corporation tax of 19.25%[1] (2016: 20%).

	2017 £'000	2016 £'000
Profit before tax	16	19
Expected tax charge	3	4
Tax charge for the year	**3**	4

Note:
1. In the Finance (No 2) Act 2015 the UK Government enacted a reduction in the UK corporation tax rate from 20% to 19% effective from 1 April 2017, and then in the Finance Act 2016 enacted a further reduction to 17% effective from 1 April 2020.

	2017 £'000	2016 £'000
Current tax liabilities	**3**	4

6. Loans and receivables

	2017 £'000	2016 £'000
Loans to related parties (note 10)	**2,781**	2,779

Loans and receivables amounting to £2,781,000 (2016: £2,779,000) are neither past due nor impaired and are classified as unrated. All receivables from related parties are considered current. Loans are short-term in nature and repayable when required.

7. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash and cash equivalents	**27**	27

8. Trade and other payables

	2017 £'000	2016 £'000
Trade and other creditors	-	6
Due to related parties (note 10)	-	4
Total	**-**	10

9. Share capital

	2017 £'000	2016 £'000
Issued and fully paid: equity shares		
1,000,000 Ordinary Shares of £1 each	**1,000**	1,000

Notes to the financial statements (continued)

For the year ended 31 December 2017

10. Related parties

As at 31 December 2017 the immediate parent and ultimate holding Company was DLIG which is incorporated in the United Kingdom and registered in England and Wales.

As at 31 December 2017 DLIG heads the largest and smallest group in which the Company is consolidated. Copies of the consolidated financial statements of DLIG may be obtained from the Company Secretary, Direct Line Group, Churchill Court, Westmoreland Road, Bromley, BR1 1DP.

The following transactions were carried out with related parties, who are all members the Group.

i. Investment return (note 3)

	2017 £'000	2016 £'000
Interest income from parent	**4**	–
Interest income from fellow subsidiaries	**5**	13
Interest income from related parties	**9**	13

ii. Year-end balances arising from sales/purchases of products/services

	2017 £'000	2016 £'000
Payables to related parties		
Fellow subsidiaries (note 8)	**–**	4

Movements in payables to related parties were as follows:

	2017 £'000	2016 £'000
At 1 January	**4**	3
Transactions in the year	**(4)**	4
Settled in the year	**–**	(3)
At 31 December	**–**	4

The transactions in the year relates to taxes paid on behalf of the Company by DLIS.

iii. Loans to related parties (note 6)

	2017 £'000	2016 £'000
Parent	**2,781**	–
Fellow subsidiaries	**–**	2,779
Total	**2,781**	2,779

Notes to the financial statements (continued)

For the year ended 31 December 2017

10. Related parties (continued)

Movements in loans to related parties were as follows:

The loans to related parties are unsecured and repayable when required. Interest is charged using the average three-month LIBOR rate.

	Amounts owed by parent		Amounts owed by fellow subsidiaries	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
At 1 January	**-**	–	**2,779**	2,773
Loans advanced during the year	**2,780**	–	**-**	–
Interest charged (note 3)	**4**	–	**5**	13
Repayments received	**(3)**	–	**(2,784)**	(7)
At 31 December	**2,781**	–	**-**	2,779