

Company Registration No: 02811437

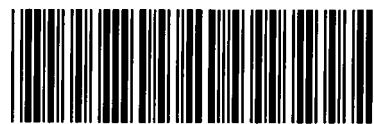
**Direct Line Group Limited**

**Annual Report and Financial Statements**

31 December 2017

Direct Line Group Company Secretariat  
Churchill Court  
Westmoreland Road  
Bromley  
BR1 1DP

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Annual report and financial statements

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**Officers and professional advisers**

**Directors:**

R C Clifton

H C O'Murchu

H M Tomlinson

**Secretary:**

R C Clifton

**Registered office:**

Churchill Court

Westmoreland Road

Bromley

BR1 1DP

**Auditor:**

Deloitte LLP

2 New Street Square

London

EC4A 3BZ

**Company registration**

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 and business review**

**Activity**

The principal activity of Direct Line Group Limited (the "Company") continues to be that of a holding company.

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 central resources that it needs and provides policies in all key areas such as finance, risk, and human resources. 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, BR1 1DP, the Registrar of Companies or through the Group's website at [www.directlinegroup.com](http://www.directlinegroup.com)

**Review of the year**

*Business review*

The Directors are satisfied with the Company's performance during the year. The Company may take into account proposals provided from within the Group in seeking further opportunities for growth.

*Financial performance*

The Company's financial performance is presented in the statement of comprehensive income on page 7.

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

At the end of the year, the balance sheet reflected total assets of £28,597,000 (2016: £31,522,000) and total equity of £28,588,000 (2016: £28,577,000).

*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 noted in this 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 1.

From 1 January 2017 to date, there have been no changes to Directors and Secretary.

**Going concern**

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.

**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 annual report and financial statements of DLIS.

**Disclosure of information to the Auditor**

Each person who is 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.

**Directors' report (continued)**

For the year ended 31 December 2017

**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 Direct Line Group 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 Direct Line Group 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 13.

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

**Independent Auditor's report to the members of Direct Line Group Limited (continued)**

For the year ended 31 December 2017

**Responsibilities of directors (continued)**

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](http://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  
Statutory Auditor  
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	14	28
<b>Operating profit</b>		<b>14</b>	<b>28</b>
Gain on disposal of assets held for sale	9	–	794
<b>Profit before tax</b>		<b>14</b>	<b>822</b>
Tax charge	5	(3)	(6)
<b>Total comprehensive income for the year<sup>1</sup></b>		<b>11</b>	<b>816</b>

Note:

1. There was no other comprehensive income in the year ended 31 December 2017 and the year ended 31 December 2016.

The attached notes on pages 11 to 16 form an integral part of these financial statements.

**Balance sheet**

As at 31 December 2017

	Notes	2017 £'000	2016 £'000
<b>Assets</b>			
Investment in subsidiary undertakings	7	25,021	25,021
Trade and other receivables	8	3,571	6,496
Cash and cash equivalents	10	5	5
<b>Total assets</b>		<b>28,597</b>	<b>31,522</b>
<b>Equity</b>			
		<b>28,588</b>	<b>28,577</b>
<b>Liabilities</b>			
Trade and other payables	12	6	2,939
Current tax liabilities	6	3	6
<b>Total liabilities</b>		<b>9</b>	<b>2,945</b>
<b>Total equity and liabilities</b>		<b>28,597</b>	<b>31,522</b>

The attached notes on pages 11 to 16 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

	Notes	Retained earnings £'000	Total shareholders' equity £'000
<b>Balance at 1 January 2016</b>		27,761	27,761
Total comprehensive income for the year		816	816
<b>Balance at 31 December 2016</b>		28,577	28,577
Total comprehensive income for the year		11	11
<b>Balance at 31 December 2017</b>		<b>28,588</b>	<b>28,588</b>

The attached notes on pages 11 to 16 form an integral part of these financial statements.

**Cash flow statement**

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
<b>Profit for the year</b>		<b>11</b>	<b>816</b>
Adjustments for:			
Gain on disposal of assets held for sale	9	–	(794)
Investment return	3	(14)	(28)
Tax charge	5	3	6
<b>Operating cash flows before movements in working capital</b>		<b>–</b>	<b>–</b>
Movements in working capital			
Net decrease in trade and other receivables excluding loans	8	794	2,149
Net (decrease) / increase in trade and other payables	12	(2,933)	708
<b>Cash (used in) / generated from operations</b>		<b>(2,139)</b>	<b>2,857</b>
Tax paid		(6)	(2,939)
<b>Net cash used in operating activities</b>		<b>(2,145)</b>	<b>(82)</b>
<b>Cash flows from investing activities</b>			
Net proceeds from the disposal of assets held for sale	9	–	794
<b>Net cash generated from investing activities</b>		<b>–</b>	<b>794</b>
<b>Cash flows from financing activities</b>			
Loans advanced during the year	13	(3,565)	(712)
Loan repayments including interest received	13	5,710	–
<b>Net cash generated from / (used in) financing activities</b>		<b>2,145</b>	<b>(712)</b>
<b>Net increase in cash and cash equivalents</b>		<b>–</b>	<b>–</b>
Cash and cash equivalents at the beginning of the year		5	5
<b>Cash and cash equivalents at the end of the year</b>	10	<b>5</b>	<b>5</b>

The accompanying notes on pages 11 to 16 form an integral part of these financial statements.

**Notes to the financial statements**

For the year ended 31 December 2017

**1. Accounting policies***Presentation of accounts*

The financial statements have been prepared on the going concern basis (see the Directors' report on pages 3 and 4) 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 presentational currency is Sterling and accounts are rounded to the nearest thousand unless otherwise stated.

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

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

*Adoption of new and revised standards*

The Company has adopted the following new amendments to IFRSs and the IASs that became mandatorily effective for the Company for the first time during 2017, however these have had no impact on the financial statements or performance.

Amendments to IAS 7 'Statement of Cash Flows' require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information.

**1.1 Consolidated financial statements**

The financial statements contain information about Direct Line Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under IFRS 10 'Consolidated Financial Statements' and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, DLIG, a public company registered in the United Kingdom.

**1.2 Investment return**

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.

Dividend income from investments in subsidiaries is recognised when the right to receive payment is established.

**1.3 Investment in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less any impairment.

**1.4 Financial assets**

The Company only has loans and receivables that 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 loans and receivables*

At each balance sheet date the Company assesses whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Any impairment losses are recognised in the statement of comprehensive income.

*Derecognition of financial assets*

A financial asset is derecognised when the rights to receive the cash flows from that asset have expired or when the Company has transferred its rights to receive cash flows from the asset and has transferred substantially all the risk and rewards of ownership of the asset.

**1.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

**1.6 Provisions**

The Company recognises a provision for a present legal or constructive obligation from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount can be reliably estimated.

**Notes to the financial statements (continued)**

For the year ended 31 December 2017

**1. Accounting policies (continued)****1.7 Taxation**

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

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.

**1.8 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.

**1.9 Accounting developments**

In July 2014, the IASB issued the final version of IFRS 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 financial liabilities, and introduces a new impairment model for financial assets. It 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.

**2. Risk management****2.1 Risk management overview**

The Direct Line Insurance Group plc Board ("Group Board") has responsibility for setting and monitoring adherence to the risk strategy, risk appetite and risk framework. 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 and accounts contains a comprehensive review of the risk management framework for the whole Group. Copies can be obtained from Direct Line Group Company Secretariat, Churchill Court, Westmoreland Road, Bromley, BR1 1DP, the Registrar of Companies or through DLIG's website at [www.directlinegroup.com](http://www.directlinegroup.com)

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 Company is prepared to accept to achieve business objectives. Details of the Group's risk strategy and risk appetite are contained in DLIG's annual report and accounts.

**2.1.2 Enterprise Risk Management Framework**

This sets out, at a high level, the Group's (which includes the Company's) 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 DLIG's annual report and accounts.

**2.1.3 Principal risks and uncertainties**

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

The key risks applicable to the Company are detailed below.

**Notes to the financial statements (continued)**

For the year ended 31 December 2017

**2. Risk management (continued)****2.2 Counterparty default risk**

This is the risk of loss from unexpected default of the counterparties and debtors of Company undertakings. The Company is exposed to counterparty risk relating to its trade and other receivables. The Company's counterparties are fellow subsidiaries of DLIG.

**2.3 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. The Company is subject to market risk, in particular interest rate risk, due to its loans to related parties.

**3. Investment return**

	2017 £'000	2016 £'000
<b>Interest income from loans to related parties (note 13)</b>	<b>14</b>	<b>28</b>

**4. Operating income***Auditor's remuneration*

Fees for audit and non-audit services for the current and prior years were borne by a fellow subsidiary.

Fees paid to the Auditor in respect of the statutory audit of the Company's financial statements amount to £5,253 (2016: £5,150).

*Staff costs, number of employees and Directors' emoluments*

The Company had no employees during the year ended 31 December 2017 or the year ended 31 December 2016. The services provided by the Directors to the Company are non-executive in nature and therefore it is not appropriate to allocate their emoluments in respect of services to the Company.

**5. Tax charge**

	2017 £'000	2016 £'000
<b>Current taxation charge for the year</b>	<b>3</b>	<b>6</b>

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%<sup>1</sup> (2016: 20%).

	2017 £'000	2016 £'000
Profit before tax	14	822
Expected tax charge	3	164
Effects of:		
Realised gain on disposal of subsidiary undertaking	-	(158)
<b>Tax charge for the year</b>	<b>3</b>	<b>6</b>
<b>Effective income tax rate</b>	<b>21.4%</b>	<b>0.7%</b>

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 the Finance Act 2016 enacted a further reduction to 17% effective from 1 April 2020.

**6. Current tax**

	2017 £'000	2016 £'000
<b>Per balance sheet</b>		
<b>Current tax liabilities</b>	<b>3</b>	<b>6</b>

**Notes to the financial statements (continued)**

For the year ended 31 December 2017

**7. Investment in subsidiary undertakings**

	2017 £'000	2016 £'000
<b>At 31 December</b>	<b>25,021</b>	<b>25,021</b>

The subsidiary undertakings of the Company are set out below. Their Capital consists of Ordinary Shares which are unlisted. In all cases the Company owns 100% of the Ordinary Shares and voting power, either directly or through its ownership of other subsidiaries.

Name of subsidiary	Place of incorporation and operation	Principal activity
<b>Directly held by the Company:</b>		
Green Flag Holdings Limited <sup>1</sup>	United Kingdom	Holding company
UKI Life Assurance Services Limited <sup>1</sup>	United Kingdom	Dormant
<b>Indirectly held by the Company:</b>		
Green Flag Group Limited <sup>2</sup>	United Kingdom	Holding company
Green Flag Limited <sup>2</sup>	United Kingdom	Motor vehicle assistance, repair and recovery services
National Breakdown Recovery Club Limited <sup>1</sup>	United Kingdom	Dormant
Nationwide Breakdown Recovery Services Limited <sup>1</sup>	United Kingdom	Dormant

Notes:

1. Registered office at: Churchill Court, Westmoreland Road, Bromley, BR1 1DP.
2. Registered office at: The Wharf, Neville Street, Leeds, LS1 4A2.

**8. Trade and other receivables**

	2017 £'000	2016 £'000
Loans to related parties	3,571	5,702
Receivables from related parties	–	794
<b>Total</b>	<b>3,571</b>	<b>6,496</b>

Trade and other receivables 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.

**9. Assets held for sale**

The Company completed the sale of its subsidiary Direct Line Insurance S.p.A. on 29 May 2015. As a result, an unutilised disposal cost provision was released resulting in a gain on disposal of £794,000 in the year ended 31 December 2016.

**10. Cash and cash equivalents**

	2017 £'000	2016 £'000
<b>Cash at bank and in hand</b>	<b>5</b>	<b>5</b>

**11. Share capital**

	Number	£'000
Issued and fully paid: Ordinary Shares		
<b>At 31 December 2016 and at 31 December 2017</b>	<b>1</b>	<b>–</b>

**12. Trade and other payables**

	2017 £'000	2016 £'000
<b>Payable to related parties</b>	<b>6</b>	<b>2,939</b>

**Notes to the financial statements (continued)**

For the year ended 31 December 2017

**13. Related parties**

As at 31 December 2017 the ultimate holding company was DLIG, which is also the immediate parent company and 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 Direct Line Insurance Group plc may be obtained from The Company Secretary, DLIG, Churchill Court, Westmoreland Road, Bromley, BR1 1DP.

The following transactions were carried out with related parties:

	2017 £'000	2016 £'000
Tax paid on behalf of Company by fellow subsidiary	6	2,939
Investment return		
	2017 £'000	2016 £'000
Interest received:		
Parent	6	–
Fellow subsidiary	8	28
<b>Total</b>	<b>14</b>	<b>28</b>

Interest income received from deposits held with related parties was at rates ranging from 0.28% to 0.52% (2016: 0.37% to 0.59%)

**Loan amounts owed by related parties (note 8)**

	Amounts owed by parent		Amounts owed by fellow subsidiary	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Total</b>	<b>3,571</b>	<b>–</b>	<b>–</b>	<b>5,702</b>

**Movement in loan amounts owed by related parties**

	Amounts owed by parent		Amounts owed by fellow subsidiary	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>At 1 January</b>	<b>–</b>	<b>–</b>	<b>5,702</b>	<b>4,962</b>
Loans advanced during the year	3,565	–	–	712
Interest charged	6	–	8	28
Repayments received	–	–	(5,710)	–
<b>At 31 December</b>	<b>3,571</b>	<b>–</b>	<b>–</b>	<b>5,702</b>

**Trade receivables due from related parties (note 8)**

	Amounts owed by parent	
	2017 £'000	2016 £'000
<b>Total</b>	<b>–</b>	<b>794</b>

**Movement in trade receivables due from related parties**

	Amounts owed by parent	
	2017 £'000	2016 £'000
<b>At 1 January</b>	<b>794</b>	<b>2,943</b>
Settled in the year	(794)	(2,149)
<b>At 31 December</b>	<b>–</b>	<b>794</b>

**Notes to the financial statements (continued)**

For the year ended 31 December 2017

**13. Related parties (continued)**Trade payables due to related parties (note 12)

	Amounts owed to parent	
	2017 £'000	2016 £'000
<b>Total</b>	<b>6</b>	<b>2,939</b>

Movement in trade payables due to related parties

	Amounts owed to parent	
	2017 £'000	2016 £'000
<b>At 1 January</b>	<b>2,939</b>	<b>–</b>
Transactions in the year	6	2,939
Settled in the year	(2,939)	–
<b>At 31 December</b>	<b>6</b>	<b>2,939</b>