

Company Registration No: 03577191

Green Flag Holdings Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

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



Annual report and financial statements

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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

1 New Street Square

London

EC4A 3HQ

United Kingdom

Company registration:

Registered in England and Wales

Directors' report

For the year ended 31 December 2019

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Directors and Secretary

The present Directors and Company Secretary are listed on page 2.

From 1 January 2019 to date, there have been no changes to Directors and Secretary.

Activities and business review**Activities**

The principal activity of Green Flag Holdings Limited (the "Company") continues to be the intermediate parent undertaking for a subsidiary involved in motor vehicle assistance, repair and recovery services.

The Company is a member of the Direct Line Group ("the Group") whose ultimate parent company is Direct Line Insurance Group plc ("DLIG"). The Company is a subsidiary of Direct Line Group Limited. The Group provides the Company with access to central resources that it needs 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 DLIG's annual report and accounts 2019 ("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.co.uk

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 8. The Company's sole source of income is from interest on loans to DLIG and total profit after tax for the year ended 31 December 2019 was £757 (2018: £440).

At the end of the year, the balance sheet reflected total assets of £25,088,730 (2018: £25,087,899) and total equity was £25,085,216 (2018: £25,084,459).

The Directors do not recommend the payment of a final dividend for the financial year ended 31 December 2019 (2018: £nil).

Principal risks and uncertainties

The principal risks applicable to the Company are detailed below.

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.

Counterparty default risk

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

Directors' report

For the year ended 31 December 2019

Outlook

High level strategies of the Company are determined by the DLIC Board and are shown in the DLIC Annual Report and Accounts 2019. The Directors consider that the Company's principal activities will continue unchanged for the foreseeable future. For this purpose the foreseeable future is taken to mean a period of at least twelve months from the date of signing of these financial statements.

Potential effect of Brexit

The Company prepared for the possibility of a disruptive Brexit. The UK left the EU on 31 January 2020 and little practical change to existing arrangements is expected during the implementation period through to the end of 2020. The terms, if any, of any future trading relationship between the UK and the EU and between the UK and other key countries, are not yet known and there remains uncertainty and at least the possibility of disruption particularly at the end of the implementation period. The Company is predominantly a UK business, and has minimum exposure to the EU. The Group has been monitoring events carefully and has proactively taken steps to mitigate the likely impact on the Group and the Company to the extent it is considered appropriate and proportionate to do so, given the considerable uncertainties; however, in the event of a disruptive end to the implementation period the Company will not be immune. For more information, please refer to the DLIC Annual Report and Accounts 2019.

Impact of COVID-19 on the Company

The Group and the Company's priority is to seek to act in the best interest of the Company whilst having due regard to its stakeholders. The Company is taking measures with the objectives of maintaining operational resilience, maintaining the wellbeing of its staff (who are employed by a fellow subsidiary company, DL Insurance Services Limited), maintaining liquidity and accessing working capital, and protecting its financial position. The Company will continue to monitor COVID-19 developments over what may be an extended period of uncertainty.

The Company has a good capital position and continues to review and update contingency plans as appropriate on a regular basis. The Company is a holding company and the impact of the Covid-19 pandemic is not expected to result in a change to the Company's activities. As stated above in the Activities and business review, the Company has access to central resources provided by the Group should these be so required. The Group made an announcement on 8 April 2020 which included announcing that the holding company, Direct Line Insurance Group plc, was withdrawing its final dividend and continued to maintain strong solvency. The Group continues to keep its solvency and liquidity position under review and has identified a series of potential scenarios and mitigating actions as part of its assessment of the impact of COVID-19 on the Group's ability to continue to operate, which impact is not expected to result in any change to the going concern statement made in the Group's 2019 preliminary results, announced on 3 March 2020. At the date of signing this report, however, it is not possible to give with certainty an estimate of the impact that the pandemic could have on the financial position of the Company due to the uncertainties inherent in such a situation, as the further implications of the pandemic are not yet clear.

Disclosure of information to the 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, being information needed by the auditors in connection with preparing their report, 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 them under the deemed appointment rules of section 487 of the Companies Act 2006.

Directors' report

For the year ended 31 December 2019

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 financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework', 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 at the end of the year and the profit or loss of the Company for the financial year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom standards, comprising FRS 101 have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Approved by the Board of Directors on 4 May 2020 and signed on its behalf by:



H C O'Murchu
Director

Independent Auditor's report to the members of Green Flag Holdings Limited

For the year ended 31 December 2019

Report on the audit of the financial statements**Opinion**

In our opinion the financial statements of Green Flag Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Independent Auditor's report to the members of Green Flag Holdings Limited

For the year ended 31 December 2019

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.

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.

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.

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.



Colin Rawlings FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
4 May 2020

Statement of comprehensive income

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Investment return	2	934	543
Profit before tax		934	543
Tax charge	4	(177)	(103)
Profit and total comprehensive income for the year¹		757	440

Note:

1. There was no other comprehensive income in the year ended 31 December 2019 and the year ended 31 December 2018.

The total comprehensive income for the year is entirely attributable to the owners of the Company.

The attached notes on pages 11 to 15 form an integral part of these financial statements.

Balance Sheet

As at 31 December 2019

	Notes	2019 £	2018 £
Assets			
Investment in subsidiary undertakings	5	25,009,316	25,009,316
Other receivables	6	79,414	78,583
Total assets		25,088,730	25,087,899
Equity		25,085,216	25,084,459
Liabilities			
Other payables	7	3,337	3,337
Current tax liabilities	4	177	103
Total liabilities		3,514	3,440
Total equity and liabilities		25,088,730	25,087,899

The attached notes on pages 11 to 15 form an integral part of these financial statements.

Approved by the Board of Directors on 4 May 2020 and signed on its behalf by:



H C O' Murchu
Director

Statement of changes in equity

For the year ended 31 December 2019

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
Balance at 1 January 2018	100	19,705,000	5,378,919	25,084,019
Total comprehensive income for the year	–	–	440	440
Balance at 31 December 2018	100	19,705,000	5,379,359	25,084,459
Total comprehensive income for the year	–	–	757	757
Balance at 31 December 2019	100	19,705,000	5,380,116	25,085,216

The attached notes on pages 11 to 15 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies

1.1 Basis of Preparation

The Company's financial statements are prepared in accordance with Financial Reporting Standard FRS 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements are prepared on a historical cost basis.

The Company is incorporated and domiciled in the UK and registered in England and Wales. The Company is limited by shares.

The Company's financial statements are presented in sterling which is the functional and presentational currency of the Company.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS") but makes amendments where necessary to comply with Companies Act 2006, and to take advantage of the following disclosure exemptions available under FRS 101:

- FRS 101.8 (d): the requirements of IFRS 7 'Financial Instruments: Disclosures' to make disclosures about financial instruments;
- FRS 101.8 (g): the requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D, 111, and 134 to 136 of IAS 1 'Presentation of Financial Statements' to produce a cash flow statement and to make an explicit and unreserved statement of compliance with IFRSs, additional comparative information and capital management information;
- FRS 101.8 (h): the requirements of IAS 7 'Statements of Cash Flows' to produce a cash flow statement and related notes;
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to include a list of new IFRSs that have been issued but that have yet to be applied; and
- FRS 101.8 (k): the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member.

The Company has considerable 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 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 Directors' report on pages 3 to 5.

Adoption of new and revised standards

The Company has adopted the following new standards and amendments to IFRSs and the International Accounting Standards ("IAS") that became mandatorily effective for the Company for the first time during 2019.

The Company has adopted IFRS 16 'Leases' for the first time in 2019. IFRS 16 replaces IAS 17 'Leases' and sets out the principles for recognition, measurement and disclosure of lease arrangements entered into by the Company. Following an assessment, no material lease arrangements were identified and it was concluded that IFRS 16 had no impact on the Company.

In September 2019, the IASB issued 'Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7' which although not mandatory for the Company until 2020, has been adopted in 2019. The amendments modify some specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by the IBOR reform. In addition, it requires companies to disclose additional information about their hedging relationships which are directly affected by these uncertainties. This has no impact on the Company.

A number of further narrow scope amendments which become mandatorily effective for the Company but do not have an impact on existing accounting policies, are as follows:

Amendments to IAS 28 'Long-term Interests in Associates and Joint Ventures' clarifies that an entity applies IFRS 9 to long-term interests in associates or joint ventures that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies continued

IFRIC 23 'Uncertainty over Income Tax Treatments' provides interpretation when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

Amendments to IAS 19 'Employee Benefits: Plan Amendment, Curtailment or Settlement' clarify the accounting when a pension plan amendment, curtailment or settlement occurs.

'Annual Improvements to IFRS Standards 2015-2017 Cycle' includes 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 (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits.
- 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.

1.2 Consolidated financial statements

The financial statements contain information about the Company as an entity and do not contain consolidated financial information as the parent of a group. The Company is exempted by 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 ultimate parent, DLIG, a public limited company registered in England and Wales.

1.3 Revenue recognition - 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.

1.4 Investment in subsidiary undertakings

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

1.5 Financial assets

The Company only holds assets that are classified as held at amortised cost which are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

At each balance sheet date, the Company assesses, on a forward-looking basis, whether there is any objective evidence that an impairment loss on a financial asset or group of financial assets classified as held at amortised cost is expected. The Company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets including an allowance for expected losses at initial recognition, and the present value of estimate future cash flows from the asset or group of assets, discounted at the effective interest rate of the instrument at initial recognition. The expected loss allowance for financial assets is based on assumptions about risk of default and expected loss rates.

The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the credit quality and history of the financial asset or group of financial assets, as well existing market conditions and forward-looking expectations.

Impairment losses, including the expected credit allowance, are recognised in the statement of comprehensive income and the carrying amount of the financial asset or group of financial assets is reduced by establishing an allowance for the impairment losses. If in a subsequent period the amount of the expected impairment allowance reduces and this can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

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.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies continued**1.6 Financial liabilities**

Financial liabilities include other payables which are initially recognised at fair value net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

1.7 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 income statement 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.

2. Investment return

	2019 £	2018 £
Interest income from parent	934	543
Total investment return	934	543

3. Operating profit before tax**Auditor's remuneration**

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 amount to £2,154 (2018: £2,101).

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.

4. Taxation

	2019 £	2018 £
Current tax charge for the year	177	103

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%¹ (2018: 19%).

	2019 £	2018 £
Profit before tax	934	543
Expected tax charge	177	103
Actual tax charge for the year	177	103
Effective income tax rate	19%	19%

Note:

1. On 11 March 2020 the Chancellor announced that the rate of UK corporation tax would remain at 19% from 1 April 2020 (rather than reducing to 17% as previously enacted). This change became substantively enacted on 17 March 2020.

Notes to the financial statements

For the year ended 31 December 2019

4. Taxation continued

	2019 £	2018 £
Per balance sheet:		
Current tax liabilities	177	103

5. Investment in subsidiary undertakings

The investment in subsidiary undertakings is carried at cost less impairment. There were no movements during the year.

	2019 £	2018 £
At 31 December	25,009,316	25,009,316

Details of the Company's directly held subsidiary undertakings as at 31 December 2019 are as follows:

Name of subsidiary	Place of incorporation	Class of shares held	Proportion of voting power held	Principal activity
Green Flag Group Limited ¹	United Kingdom	Ordinary	100%	Holding company
		Preferred Ordinary	99.9% non-voting	
		Deferred	100% non-voting	

Details of the Company's indirectly held subsidiary undertakings as at 31 December 2019 are as follows:

Name of subsidiary	Place of incorporation	Class of shares held	Proportion of voting power held	Principal activity
Green Flag Limited ¹	United Kingdom	Ordinary	100%	Motor vehicle assistance
		Preferred Ordinary	100% non-voting	
		Deferred	100% non-voting	
National Breakdown Recovery Club Limited ²	United Kingdom	Ordinary	100%	Dormant
Nationwide Breakdown Recovery Services Limited ²	United Kingdom	Ordinary	100%	Dormant

Notes:

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

6. Other receivables

	2019 £	2018 £
Loans to related parties	79,414	78,583

Other receivables are neither past due nor impaired and are classified as unrated. All loans to related parties are considered current, are short-term in nature and repayable when required.

7. Other payables

	2019 £	2018 £
Loans from related parties	3,337	3,337

Amounts payable to related parties are due after more than five years.

Notes to the financial statements

For the year ended 31 December 2019

8. Share capital

	2019 £	2018 £
Issued and fully paid equity shares:		
100 Ordinary Shares of £1 each	100	100

The Company is a member of the Direct Line Group whose ultimate holding Company is Direct Line Insurance Group plc. The Company is a subsidiary of Direct Line Group Limited.

9. Events after the balance sheet date**Coronavirus (COVID-19)**

The Group is closely monitoring developments in connection with the spread of COVID-19, including guidance and directions provided by HM Government and public health advisers. The further implications of the COVID-19 pandemic are uncertain and the Company monitors the situation on an ongoing basis. The Directors consider that the outbreak of COVID-19 is a non-adjusting post balance sheet event. It is not possible to determine the financial impact of the pandemic on the Company, however, but as stated in the Directors' report, the Company continues to operate and to review and update contingency plans on a regular basis.