

Company Registration No: 02568507

UK Assistance Accident Repair Centres Limited

Annual Report and Financial Statements

31 December 2020

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:**

C Bradley

J Burrows

S Maddock

P Nightingale

H C O' Murchu

**Company Secretary:**

R C Clifton

**Registered office:**

Churchill Court

Westmoreland Road

Bromley

BR1 1DP

**Independent Auditor:**

Deloitte LLP

Hill House

1 Little New Street

London

EC4A 3TR

United Kingdom

**Company registration**

Registered in England and Wales

## Strategic report

For the year ended 31 December 2020

The Directors present their Strategic report for the year ended 31 December 2020.

### Activities and business review

#### Activity

The principal activity of UK Assistance Accident Repair Centres Limited (the "Company") continues to be the provision of motor vehicle repair services to a general insurance company owned by Direct Line Insurance Group plc ("DLIG").

The Company is a member of the Direct Line Group (the "Group") headed by DLIG of which the Company is a subsidiary.

The Group provides the Company with access to Group central resources and provides policies in all key areas such as finance, risk, human resources and environmental matters. Key performance indicators across the Group taken as a whole are referred to in the DLIG annual report and accounts ("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 alongside the Review of the year section 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.co.uk](http://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.

##### Key performance indicators

##### Revenue from contracts with customers (£m)

<i>Definition</i> - This comprises motor vehicle repair services provided to the Group and other third-party customers. Revenue is recognised upon completion of the repair using market rates for services and materials.	<b>2020:</b>	<b>172.6</b>
<i>Aim</i> - We aim to maximise the Company's total revenue within the context of its operations within the Group.	<b>2019:</b>	<b>218.9</b>

##### Operating profit (£m)

<i>Definition</i> - The excess of income after all operating costs and expenses, excluding finance costs and interest received on loans to Group undertakings, have been taken into account.	<b>2020:</b>	<b>25.5</b>
<i>Aim</i> - We aim for the Company to be profitable within the context of its operations within the Group.	<b>2019:</b>	<b>64.9</b>

#### Financial performance

The Company's financial performance is presented in the statement of comprehensive income on page 11.

Revenue from contracts with customers for the year ended 31 December 2020 decreased by £46.3 million to £172.6 million (2019: £218.9 million), mainly as a result of a decreased repair volumes due to the Covid-19 pandemic. Cost of sales decreased by £10.6 million to £117.9 million (2019: £128.5 million) as a direct result of the decreased repair volumes and administration expenses increased to £29.2 million (2019: £25.6 million). Total comprehensive income for the year was £21.0 million (2019: £53.2 million).

An interim dividend of £35.0 million was paid during the year ended 31 December 2020 (2019: £43.0 million). The Directors do not recommend the payment of a final dividend (2019: £nil).

At the end of the year, the balance sheet reflected total assets of £101.7 million (2019: £117.3 million) and equity of £57.8 million (2019: £71.9 million).

On 31 March 2021, the Company made a further acquisition of an accident repair centre to expand its wholly owned DLG Auto Services network.

#### Principal risks and uncertainties

The management of the Group's risks, including those of the Company, are monitored at Group level, set out in the Risk Management section in the DLIG annual report. The Directors consider that there is minimal level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities.

## Strategic report

For the year ended 31 December 2020

### Credit risk

This is the risk of loss from unexpected default or deterioration in the credit standing of the counterparties and debtors of the Company's undertakings. It is monitored by the Group's Credit Risk Forum. The main responsibility of this forum is to ensure that all material aspects of counterparty risk within the Group are identified, monitored and measured. The Company is mainly exposed to counterparty default risk relating to receivables for repair services which is not material at a Group level.

### Operational risk

This is the risk of loss due to inadequate or failed internal processes, people, systems or from external events. Material sources of operational risk for the Company include:

- *Change risk*  
This is the risk of failing to manage the Company's change portfolio resulting in conflicting priorities and failure to deliver strategic outcomes to time, cost or quality.
- *Technology and infrastructure risk*  
This is the risk that the IT infrastructure is insufficient to deliver the Company's strategy.
- *Outsourcing risk*  
This is the risk of failing to implement a robust framework for the sourcing, appointment and ongoing contract management of third party suppliers, outsourced service providers and intragroup relationships.
- *Operational Resilience risk*  
This is the risk of the inability to effectively absorb and/or adapt to internal or external occurrences that could disrupt business operations.

The Company has in place agreed policies and standards to establish and monitor key controls relating to operational risk.

### Liquidity risk

This is the risk of being unable to access cash from the sale of investments or other assets in order to settle financial obligations as they fall due.

The Company has limited exposure to liquidity risk as it has access to Group funding which is constantly being monitored to ensure borrowing limits and funding requirements are at levels appropriate for the Company to operate.

### Presentation of financial statements

The primary financial statements are presented in accordance with Company law requirements for insurance entities. In addition, the Company has taken advantage of several disclosure exemptions available under FRS 101 'Reduced Disclosure Framework' ("FRS 101").

### UK recession and global financial instability

The risk of a further UK-wide recession and global financial instability is ongoing. The economic uncertainty is expected to remain high throughout H1 2021, as a result of the Covid-19 pandemic, and the Group continues to monitor the worst-case impact.

As a result of the Covid-19 pandemic, the UK Government has acted to support UK employees and prevent lasting damage to the economy. However, the uncertainty surrounding the pandemic makes the overall impact and recovery progress unclear.

The disruption to global trade and supply-chains caused by the pandemic could increase the risk of inflation in the long term, which may significantly drive up the cost of car parts.

Globally, the economic shock caused by the Covid-19 pandemic initially resulted in credit spreads in Europe and the US moving to levels last seen in the 2008/09 credit crisis, and equity markets posted record falls. Whilst markets have recovered to a degree, there still remains uncertainty over the duration and continued impact of the pandemic.

The Company believes that the risks from global financial instability are being appropriately monitored.

## Strategic report

For the year ended 31 December 2020

### Climate

The impact of climate change has far reaching implications for economies around the world. The Group's Planet pillar, which aims to protect the business from the impact of climate change and give back to the planet more than it takes out, drives the Group and Company's approach. The Group and Company recognise that actions taken can contribute to climate risk mitigation and help accelerate the transition to a low carbon and sustainable future. This is taken seriously and has continued to be a challenge in order to reduce emissions and energy consumption through greater transparency to ensure accountability.

The Group published a comprehensive Task Force on Climate-related Financial Disclosures report which provides a roadmap to strengthen the Group's strategic response in tackling climate change and the Group sees the Bank of England's Climate Biennial Exploratory Scenario ("CBES"), which the Group has been invited to participate in, as a way to help enhance its climate change scenario analysis capability.

The Group's focus in 2021 is to evaluate the emissions arising out of its investment portfolio and it will begin to scope out Science Based Targets, which are a set of goals to provide a clear route to reduce emissions, to submit to the Science Based Target Initiative ("SBTi") for approval.

### Brexit

As a UK based business with UK customers, it was identified that the biggest potential financial exposure for the Company from a disruptive or disorderly Brexit would be to market volatility. The Company continues to work through the operational effects for customers and supply chains but the potential effects have been helped by a trade deal which has avoided otherwise expected tariffs on EU goods needed to serve customers.

### Section 172(1) Statement and engagement with stakeholders

The Group is a leading motor, home and commercial insurer which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. It seeks to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the Company have acted in accordance with their duties codified in law, in particular their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Directors of the Company are members of the Group's senior management population, which supports the Group's Chief Executive Officer in managing the Group's operations and implementing the Group's strategy, including its approach to sustainability. The Group's vision, purpose and values and the five-pillar sustainability strategy, which includes engagement with the community and protection of the environment, are set out in the Strategic Report of DLIG for the year ended 31 December 2020 on page 12 and pages 109 to 110. The Group's governance framework, which is consistent with the 2018 UK Corporate Governance Code, applied to the Company during the year. Further information on the Company's governance arrangements can be found in the Directors' report on page 7. The Company relies on resources made available by the Group including staff and suppliers who are respectively employed and contracted by a fellow subsidiary undertaking, DL Insurance Services Limited. Disclosures relating to employees, suppliers, customers and others may be found in the annual report and financial statements of DL Insurance Services Limited and DLIG for the year ended 31 December 2020.

Examples of how the Group has engaged with its stakeholders and had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year are detailed in DLIG's annual report and financial statements, for the year ended 31 December 2020 on pages 86 to 87. The Company operates the Group's motor vehicle repair centres. The Group's 'Greener, Cleaner Action Plan' aims to mitigate the Group's impact on climate change and aims for the Company to be the most energy efficient repair network in the UK, by investing in its estate and repair processes.

The Directors consider the likely consequences of any decision in the long-term. Each company within the Group is bound by Group policies consistent with the Group's culture in all key areas including supplier management and outsourcing, customer conduct, human resources and the environment. Group policies and minimum standards applied by the Company during the financial year included, for example, the Group Accounting minimum standard to which the Directors adhered before approving the Company's financial statements. The Group's Capital Management minimum standard was applied when the Directors made decisions concerning the declaration of dividends.

**Strategic report**

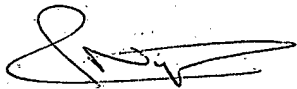
For the year ended 31 December 2020

The Directors and management operate the business in a responsible manner with the aim of ensuring that the Company maintains a reputation for high standards of business conduct and good governance. Each year, the Directors of DLIG review the Group's Code of Business Conduct which embodies the Group's culture, purpose and values. The Code of Business Conduct provides guidance to the Group's employees and contractors on the high standards of professional and ethical conduct expected of them and aims to preserve the Group's and the Company's reputation for high standards of conduct. Information on the Group's Ethical Code for Suppliers can be found in the DLIG's annual report for the year ended 31 December 2020 on page 142. The Company's statement on modern slavery can be found on the Group's corporate website.

**Outlook**

High level strategies of the Company are determined by the DLIG Board and are shown in the DLIG annual report 2020. 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.

Approved by the Board of Directors on 10 May 2021 and signed on its behalf by:



P Nightingale

Director

## Directors' report

For the year ended 31 December 2020

The Directors present their annual report and audited financial statements for the year ended 31 December 2020.

The Company has chosen, in accordance with section 414c(11) of the Companies Act 2006 and as noted 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. These are as follows:

- details of dividends declared;
- a summary of company's trading activities;
- future prospects;
- principal activities of the Company; and
- risk management of financial instruments disclosures.

### Directors and Secretary

The present Directors and Company Secretary are listed on page 1. There have been no changes from 1 January 2020 to date.

### Going concern

The Company has sufficient financial resources to meet its financial needs. The Directors believe the Company is well positioned to manage its business risks successfully in the current economic climate. The Strategic report on pages 2 to 5 and Directors report on pages 6 to 7 describe the Company's business activities and financial performance for the year, together with the factors likely to affect its future development, performance and position. Additionally, the Strategic report includes the Company's principal risks and uncertainties, including credit, operational and liquidity risks, which may affect the Company's financial position. The Directors have assessed the principal risks of the Company over the duration of the planning cycle. These included possible challenging market conditions due to the impact of Covid-19 on the economy and possible adverse implications of Brexit. However, as the Company's primary activity is to provide motor vehicle repair services to a fellow Group subsidiary, these risks are expected to have a limited impact on the Company.

Therefore, 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 10 May 2021 (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 can be found in the annual report and financial statements of DLIS.

### 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:

- so far as each Director is aware there is no relevant audit information, being information needed by auditors in connection with preparing their report, of which the Company's Auditor is unaware; and
- each Director has taken all the steps that they ought to have taken 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.

### Business relationships

Examples of how the Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year can be found in the section 172(1) statement on page 4.



## Directors' report

For the year ended 31 December 2020

### 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 10 May 2021 and signed on its behalf by:



P. Nightingale

Director

**Independent Auditor's report to the members of UK Assistance Accident Repair Centres Limited**

For the year ended 31 December 2020

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

In our opinion the financial statements UK Assistance Accident Repair Centres Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

**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.

## Independent Auditor's report to the members of UK Assistance Accident Repair Centres Limited

For the year ended 31 December 2020

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

### 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.

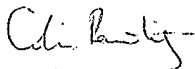
We have nothing to report in respect of these matters.

**Independent Auditor's report to the members of UK Assistance Accident Repair Centres Limited**

For the year ended 31 December 2020

**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  
10 May 2021

**Statement of comprehensive income**

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Revenue from contracts with customers	2	172,555	218,897
Cost of sales		(117,901)	(128,485)
<b>Gross profit</b>		<b>54,654</b>	<b>90,412</b>
Administration expenses	3	(29,232)	(25,598)
Other operating income	4	68	52
<b>Operating profit</b>		<b>25,490</b>	<b>64,866</b>
Interest received on loans to Group undertakings		653	981
Finance costs		(158)	(166)
<b>Profit before tax</b>		<b>25,985</b>	<b>65,681</b>
Tax charge	5	(4,995)	(12,512)
<b>Profit and total comprehensive income for the year<sup>1</sup></b>		<b>20,990</b>	<b>53,169</b>

Note:

1. There was no other comprehensive income in the year ended 31 December 2020 and the year ended 31 December 2019.

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

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

**Balance sheet**

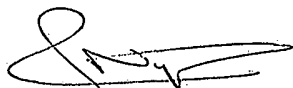
As at 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>Assets</b>			
Goodwill	7	3,228	3,228
Property, plant and equipment	8	16,845	15,028
Right-of-use assets	9	5,080	5,970
Inventories	10	1,325	1,612
Trade and other receivables	11	74,862	91,173
Prepayments		148	243
Cash and cash equivalents		180	52
<b>Total assets</b>		<b>101,668</b>	<b>117,306</b>
<b>Equity</b>		<b>57,842</b>	<b>71,852</b>
<b>Liabilities</b>			
Trade and other payables	12	33,301	26,635
Provisions	13	173	–
Lease liabilities		5,200	6,237
Deferred tax	5	181	156
Current tax	5	4,971	12,426
<b>Total liabilities</b>		<b>43,826</b>	<b>45,454</b>
<b>Total equity and liabilities</b>		<b>101,668</b>	<b>117,306</b>

The Company has 2 issued and fully paid £1 ordinary shares.

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

Approved by the Board of Directors on 10 May 2021 and signed on its behalf by:



P Nightingale

Director

**Statement of changes in equity**

For the year ended 31 December 2020

	Note	Equity £'000
<b>Balance at 1 January 2019</b>		61,683
Profit and total comprehensive income for the year		53,169
Dividends paid	6	(43,000)
<b>Balance at 31 December 2019</b>		71,852
Profit and total comprehensive income for the year		20,990
Dividends paid	6	(35,000)
<b>Balance at 31 December 2020</b>		57,842

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

## Notes to the financial statements

For the year ended 31 December 2020

### 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 effective International Financial Reporting Standards ("IFRS") as adopted by the EU on 31 December 2020 and by the UK's Government Department of Business, Energy and Industrial Strategy ("BEIS") in 2021 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 (eA): the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from contracts with customers';
- FRS 101.8 (eB): the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90 to 91 of IFRS 16 'Leases';
- 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;
- 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; and
- FRS 101.8 (l): the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d), 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets', provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The Company has sufficient financial resources to meet its financial needs. The Directors believe the Company is well positioned to manage its business risks successfully in the current economic climate. The Strategic report on pages 2 to 5 and Directors report on pages 6 to 7 describe the Company's business activities and financial performance for the year, together with the factors likely to affect its future development, performance and position. Additionally, the Strategic report includes the Company's principal risks and uncertainties, including credit, operational and liquidity risks, which may affect the Company's financial position. The Directors have assessed the principal risks of the Company over the duration of the planning cycle. These included possible challenging market conditions due to the impact of Covid-19 on the economy and possible adverse implications of Brexit. However, as the Company's primary activity is to provide motor vehicle repair services to a fellow Group subsidiary, these risks are expected to have a limited impact on the Company.

Therefore, 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 10 May 2021 (the date of approval of the financial statements). Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

#### *Adoption of new and revised standards*

The Company has adopted the following new amendments to IFRSs and International Accounting Standards ("IASs") that became mandatorily effective for the Group for the first time during 2020.

None of these amendments require changes to existing accounting policies.

Amendment to IFRS 16 'Leases Covid-19 – Related Rent Concessions' permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.



## Notes to the financial statements

For the year ended 31 December 2020

### 1. Accounting policies continued

'Amendments to References to the Conceptual Framework in IFRS Standards' amends some references to previous versions of the Conceptual Framework in IFRS Standards and their accompanying documents and IFRS Practice Statements.

Amendments to IFRS 3 'Business Combinations' narrows and clarifies the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business.

Amendments to IAS 1 and IAS 8: 'Definition of Material' clarifies and aligns the definition of 'material' and provides guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

#### 1.2 Revenue recognition

Revenue from contracts with customers

The Company's revenue comprises motor vehicle repair services provided to Group undertakings as well as other third party customers. Revenue in respect of repairs to vehicles is recognised upon completion of the repair obligation, at a point in time. The price is determined using market rates for the services and materials used after discounts and sales taxes have been deducted where applicable.

At each reporting date, the Company assesses whether a contract asset has arisen. A contract asset arises where the Company performs work that has yet to be invoiced. As the Company's revenue mainly comprises of repairs to motor vehicles which are invoiced as soon as the repairs are complete, any contract asset arising will not be material for the Company.

Interest received

Interest received 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.

Interest received relates to interest income received from loans to other Group undertakings.

#### 1.3 Taxation

The tax charge or credit represents the proportion of the tax payable and receivable arising in the current year only.

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 charged or credited to the statement of comprehensive income.

Deferred taxation is accounted for in full using the balance sheet liability method on all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is probable that they will not be recovered.

Deferred tax assets and liabilities are calculated at the tax rates expected to apply when the assets are realised or liabilities are settled based on laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current assets and liabilities on a net basis.

#### 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 Board meeting.

#### 1.5 Goodwill

Acquired goodwill, being the excess of the cost of an acquisition over the Company's interest in the fair value of the net assets acquired, is initially recognised at cost and subsequently at cost less any accumulated impairment losses.

## Notes to the financial statements

For the year ended 31 December 2020

### 1. Accounting policies continued

#### 1.6 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

Depreciation is charged to the statement of comprehensive income on a straight-line basis so as to write off the depreciable amount of property, plant and equipment over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Land is not depreciated. Estimated useful lives are as follows:

Freehold and leasehold buildings	50 years or the period of the lease if shorter
Vehicles	3 to 5 years
Computer equipment	Up to 5 Years
Other equipment, including property adaptation costs	2 to 15 years

The gain or loss arising from the derecognition of an item of property, plant and equipment, is determined as the difference between the disposal proceeds, if any, and the carrying amount of the item.

#### 1.7 Impairment of goodwill and property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that its goodwill or property, plant and equipment are impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss, if any.

If an asset does not generate cash flows that are independent of those of other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of an asset is the higher of its fair value, less costs to sell, and its value in use. Value in use is the present value of future cash flows from the asset or cash-generating unit, discounted at a rate that reflects market interest rates, adjusted for risks specific to the asset or cash-generating unit that have not been reflected in the estimation of future cash flows.

If the recoverable amount of an asset is less than its carrying value, an impairment loss is recognised immediately in the statement of comprehensive income and the carrying value of the asset is reduced by the amount of the impairment loss.

A reversal of an impairment loss on property, plant and equipment is recognised as it arises provided the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised. Impairment losses on goodwill are not reversed.

#### 1.8 Right-of-use assets and lease liabilities

At inception, the Company assesses whether a contract contains a lease arrangement which involves assessing whether it obtains substantially all the economic benefits from the use of a specific asset, and it has the right to direct the use of that asset. The Company recognises a right-of-use asset and a lease liability at the commencement of the lease (when the underlying asset is available for use), except for short-term leases of 12 months or less and low value leases which are expensed on a straight-line basis in the statement of comprehensive income. The right-of-use asset is initially measured based on the present value of the lease payments, plus initial direct costs less any incentives received. Lease payments include fixed payments and variable payments as required. The right-of-use asset is depreciated over the lease term and is subject to impairment testing if there is an indicator of impairment. When leases contain an extension or purchase option which is reasonably expected to be exercised this is included in the measurement of the lease.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease is readily determinable. The incremental borrowing rate is determined based on available risk-free market yield to maturity pricing linked to the lease amount and term, and includes a credit spread. The lease liability is subsequently measured at amortised cost using the effective interest rate method and remeasured, with a corresponding adjustment to the right-of-use asset when there is a change in future lease payments, terms or reassessment of options.

Leases held by the company relate mainly to its vehicle repair centres, and motor vehicles it uses to provide recovery and replacement services.

Where the Company is a lessor:

The Company determines at lease inception whether each lease is a finance lease or an operating lease.

The Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset and where this is the case the lease is a finance lease. The Company only operates finance leases. The net investment in the lease, which represents the present value of the lease payments, together with any unguaranteed residual value, is recognised as a lease receivable. The Company recognises finance income on the net investment in the lease over the lease term using the effective rate of interest.

## Notes to the financial statements

For the year ended 31 December 2020

### 1. Accounting policies continued

#### 1.9 Financial assets

The classification of financial assets at initial recognition and subsequent measurement depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

A financial asset is written off when there is no reasonable expectation of recovery.

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. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired.

#### *Impairment of financial assets*

At initial recognition an expected credit loss allowance assessment is conducted with an impairment loss booked if material.

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.

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 applies the simplified impairment approach to its trade receivables, grouping receivables into categories with shared credit risk characteristics and estimating expected future loss rates based on historical experience.

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.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits with banks together with short-term highly liquid investments, such as money market funds, that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

#### 1.11 Inventories

Inventories comprise work in progress, including labour, parts, paint and consumable materials used in the repair of vehicles. They are stated at the lower of cost and net realisable value less provisions for obsolete and slow-moving items. Cost is based on the first-in first-out principle.

#### 1.12 Financial liabilities

Financial liabilities 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.

**Notes to the financial statements**

For the year ended 31 December 2020

**2. Revenue from contracts with customers**

	2020 £'000	2019 £'000
Revenue from vehicle repairs	172,555	218,897

**3. Administration expenses**

	2020 £'000	2019 £'000
Marketing and administrative expenses	26,688	23,159
Depreciation	2,527	2,423
Auditor's remuneration	17	16
<b>Total</b>	<b>29,232</b>	<b>25,598</b>

*Management charges*

DLIS, a fellow subsidiary, charges the Company on a monthly basis for use of IT, staff costs and other central resources.

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

All staff and Directors were employed by DLIS, the financial statements for which contain full disclosure of employee benefit expenses incurred in the period including pensions. The Company has no employees and pays a management charge for services provided by other Group companies.

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.

*Auditor's remuneration*

Fees for audit and non-audit services, included within marketing and administrative expenses, are initially borne and subsequently recharged by a related party, DLIS.

Fees payable to Deloitte LLP for the audit of the Company's annual accounts amount to £16,881 (2019: £16,160).

**4. Other operating income**

	2020 £'000	2019 £'000
Interest income receivable on finance leases	32	14
Amounts received in respect of finance leases	36	38
<b>Total</b>	<b>68</b>	<b>52</b>

**5. Taxation**

	2020 £'000	2019 £'000
<b>Current taxation:</b>		
Charge for the year	4,971	12,427
Over provision in respect of prior-year	(1)	(6)
	<b>4,970</b>	<b>12,421</b>
<b>Deferred taxation:</b>		
Charge for the year	29	99
Over provision in respect of prior-year	(4)	(8)
	<b>25</b>	<b>91</b>
<b>Tax charge for the year</b>	<b>4,995</b>	<b>12,512</b>

## Notes to the financial statements

For the year ended 31 December 2020

## 5. Taxation continued

The actual income tax charge differs from the expected income tax charge computed by applying the standard rate of UK corporation tax of 19%<sup>1</sup> (2019: 19%) as follows:

	2020 £'000	2019 £'000
<b>Profit for the year</b>	<b>25,985</b>	<b>65,681</b>
Expected tax charge	4,937	12,479
Disallowable expenses	44	55
Effect of change in UK taxation rate	19	(8)
Adjustments in respect of prior-year	(5)	(14)
<b>Actual tax charge for the year</b>	<b>4,995</b>	<b>12,512</b>
<b>Effective income tax rate</b>	<b>19.2%</b>	<b>19.0%</b>

Notes:

- In the Finance Act 2020 the UK Government cancelled the previously enacted reduction in the UK corporation tax rate from 19% to 17% which had been due to take effect from 1 April 2020. The impact of this change on the tax charge for the year is set out in the table above.

	2020 £'000	2019 £'000
<b>Per balance sheet:</b>		
<b>Deferred tax liabilities</b>	<b>181</b>	<b>156</b>
<b>Current tax liabilities</b>	<b>4,971</b>	<b>12,426</b>

The table below analyses deferred tax assets and liabilities recognised by the Company, and the movements thereon.

	Other temporary differences £'000	Accelerated capital allowances £'000	Total £'000
<b>At 1 January 2019</b>	(114)	179	65
Charge to income	31	60	91
<b>At 31 December 2019</b>	<b>(83)</b>	<b>239</b>	<b>156</b>
(Credit) / charge to income	(18)	43	25
<b>At 31 December 2020</b>	<b>(101)</b>	<b>282</b>	<b>181</b>

On 3 March 2021 the Chancellor announced that the rate of UK corporation tax will increase to 25% from 1 April 2023. This is not reflected in the figures above as it was not substantively enacted at the balance sheet date, however the effect is not expected to be material.

## 6. Dividends

	2020 £'000	2019 £'000
Interim dividend of £17,500,000 per share paid on 7 July 2020	35,000	–
Interim dividend of £21,500,000 per share paid on 25 July 2019	–	43,000
	<b>35,000</b>	<b>43,000</b>

## 7. Goodwill

	2020 £'000	2019 £'000
<b>At 1 January</b>	<b>3,228</b>	<b>1,678</b>
Arising on acquisition <sup>1</sup>	–	1,550
<b>At 31 December</b>	<b>3,228</b>	<b>3,228</b>

Note:

- In 2019, the additions to goodwill of £1,550,000 arose as a result of repair centre acquisitions to expand the Group's accident repair centre network.

**Notes to the financial statements**

For the year ended 31 December 2020

**7. Goodwill continued**

There is no goodwill impairment for the year ended 31 December 2020 (2019: £nil). The recoverable amount is the higher of the CGU fair value less costs to sell and its value-in-use. Value-in-use is the present value of expected future cash flows from the CGU. Fair value is the estimated amount that could be obtained from the sale of the CGU in an arms' length transaction between knowledgeable and willing parties. The recoverable amounts of all CGUs were based on the value-in-use test.

**8. Property, plant and equipment****Owned assets**

	Land and buildings <sup>1</sup> £'000	Vehicles £'000	Computer and other equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2019	3,475	629	17,457	21,561
Additions	–	59	2,481	2,540
Disposals	–	(22)	(456)	(478)
<b>At 31 December 2019</b>	<b>3,475</b>	<b>666</b>	<b>19,482</b>	<b>23,623</b>
Additions	–	–	3,536	3,536
Disposals	–	–	(187)	(187)
<b>At 31 December 2020</b>	<b>3,475</b>	<b>666</b>	<b>22,831</b>	<b>26,972</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	323	382	6,861	7,566
Charge for the year	52	122	1,278	1,452
Disposals	–	(22)	(401)	(423)
<b>At 31 December 2019</b>	<b>375</b>	<b>482</b>	<b>7,738</b>	<b>8,595</b>
Charge for the year	49	125	1,471	1,645
Disposals	–	–	(113)	(113)
<b>At 31 December 2020</b>	<b>424</b>	<b>607</b>	<b>9,096</b>	<b>10,127</b>
<b>Carrying amount</b>				
<b>At 31 December 2020</b>	<b>3,051</b>	<b>59</b>	<b>13,735</b>	<b>16,845</b>
<b>At 31 December 2019</b>	<b>3,100</b>	<b>184</b>	<b>11,744</b>	<b>15,028</b>

Note:

- Land and buildings includes freehold land and buildings at a cost of £2,650,000 with a carrying amount at 31 December 2020 of £2,474,000 (2019: £2,511,000), and leasehold land and buildings at a cost of £825,000 with a carrying value at 31 December 2020 of £578,000 (2019: £589,000)

**Notes to the financial statements**

For the year ended 31 December 2020

**9. Right-of-use assets**

	Land and buildings £'000	Vehicles £'000	Total £'000
<b>Cost</b>			
At 1 January 2019	8,421	2,767	11,188
Additions	2,737	–	2,737
Disposals	–	(1,723)	(1,723)
At 31 December 2019	11,158	1,044	12,202
Disposals	–	(845)	(845)
At 31 December 2020	11,158	199	11,357
<b>Accumulated depreciation</b>			
At 1 January 2019	4,695	2,244	6,939
Charge for the year	613	358	971
Disposals	–	(1,678)	(1,678)
At 31 December 2019	5,308	924	6,232
Charge for the year	830	60	890
Disposals	–	(845)	(845)
At 31 December 2020	6,138	139	6,277
<b>Carrying amount</b>			
At 31 December 2020	5,020	60	5,080
At 31 December 2019	5,850	120	5,970

Note:

- Land and buildings are all short leasehold land and buildings

**10. Inventories**

	2020 £'000	2019 £'000
Work in progress	1,281	1,570
Fuel stock	44	42
<b>Total</b>	<b>1,325</b>	<b>1,612</b>

**11. Trade and other receivables**

	2020 £'000	2019 £'000
Trade receivables	451	1,005
Less allowance for trade receivables	(112)	(34)
Trade receivables due from related parties	2,412	4,875
Indirect taxation	8	–
Financial assets held at amortised cost:		
Loans to Group undertakings	71,141	84,353
Lease receivable	962	974
<b>Total</b>	<b>74,862</b>	<b>91,173</b>

**Notes to the financial statements**

For the year ended 31 December 2020

**11. Trade and other receivables continued**

The following table analyses trade receivables that were past due at the balance sheet date but not considered to be impaired:

	1 – 29 days £'000	30 – 59 days £'000	60 – 89 days £'000	90 days and over £'000	Total £'000
31 December 2020	27	93	4	43	167
31 December 2019	44	24	8	35	111

The trade and other receivables are, with the exception of the above, neither past due nor impaired. All trade and other receivables, with the exception of the above, including amounts due from related parties are considered current. Loans to Group undertakings are repayable on demand. In respect of credit quality, all are classified as unrated.

**12. Trade and other payables**

	2020 £'000	2019 £'000
Trade payables due to related parties	31,509	23,991
Trade creditors and accruals	1,792	2,590
Indirect taxes	–	54
<b>Total</b>	<b>33,301</b>	<b>26,635</b>

Trade payables due to related parties are due within one year.

**13. Provisions**

	Total <sup>1</sup>
At 1 January 2020	–
Additional provisions	173
<b>At 31 December 2020</b>	<b>173</b>

Note:

- The provision is a general provision for the sub-lease of repair pods.

**14. Leases***Leases where the Company is a lessee*

Information relating to the nature of the Group's leasing activities has been included in the leases accounting policy in note 1. Total cash outflows in respect of leases was £1,194,000 (2019: £1,359,000). There were no short-term or low value lease expenses. Note 9 contains further information on the Company's right-of-use assets subject to lease arrangements.

*Leases where the Company is a lessor*

In 2019 the Company purchased some items of equipment which are being leased to a third-party. As all risks and rewards incidental to ownership of this equipment are deemed to have passed to the lessee, a lease receivable has been recognised in the balance sheet. The following table analyses the future aggregate minimum lease payments receivable under finance leases, which fall as follows:

Minimum lease payments receivable are as follows:	2020 £'000	2019 £'000
Within one year	133	83
Between 1 and 2 years	130	134
Between 2 and 3 years	127	130
Between 3 and 4 years	124	127
Between 4 and 5 years	121	124
Later than 5 years	386	506
<b>Total</b>	<b>1,021</b>	<b>1,104</b>



**Notes to the financial statements**

For the year ended 31 December 2020

**14. Leases continued**

Reconciliation between net investment and total undiscounted lease receivable:

	2020 £'000	2019 £'000
Net investment in leases as at 1 January	974	–
Additions	–	960
Interest income in the year	36	14
Lease payments received in the year	(48)	–
Net investment in leases as at 31 December	962	974
Unearned finance income	59	130
<b>Total</b>	<b>1,021</b>	<b>1,104</b>

**15. Share capital**

	2020 £	2019 £
Issued and fully paid equity shares		
2 Ordinary Shares of £1 each	2	2

The Company is a member of the Direct Line Group headed by Direct Line Insurance Group plc of which the Company is a subsidiary.

**16. Events after the balance sheet date**

On 31 March 2021, the Company made a further acquisition of an accident repair centre to expand its wholly owned DLG Auto Services network.