

Parent Company balance sheet

As at 31 December 2013

	Notes	2013 £m	2012 £m
Assets			
Investments in subsidiary undertakings	2	3,181.5	3,226.1
Other receivables	3	528.8	521.7
Current tax assets	4	1.6	4.5
Cash and cash equivalents	5	6.8	268.3
Total assets		3,718.7	4,020.6
Equity			
Share capital	6	150.0	150.0
Capital redemption reserve		1,450.0	1,450.0
Share based payment reserve		3.9	0.3
Retained earnings		1,611.9	1,661.5
Total equity		3,215.8	3,261.8
Liabilities			
Subordinated liabilities	7	502.4	501.7
Derivative financial instruments	8	-	1.7
Borrowings	9	-	255.4
Trade and other payables	10	0.5	-
Total liabilities		502.9	758.8
Total equity and liabilities		3,718.7	4,020.6

The attached notes on pages 171 to 174 form an integral part of these separate financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2014. They were signed on its behalf by:

John Reizenstein
Chief Financial Officer

Direct Line Insurance Group plc

Registration No. 02280426

Parent Company statement of comprehensive income

For the year ended 31 December 2013

	2013 £m	2012 £m
Profit for the year	193.1	1,240.4
Total comprehensive income for the year attributable to owners of the Company	193.1	1,240.4

Parent Company statement of changes in equity

For the year ended 31 December 2013

	Share capital £m	Capital redemption reserve £m	Share based payment reserve £m	Retained earnings £m	Total equity £m
Balance at 31 December 2011	1,500.0	100.0	–	1,421.1	3,021.1
Total comprehensive income for the year	–	–	–	1,240.4	1,240.4
Share redemption	(1,350.0)	1,350.0	–	–	–
Dividends paid	–	–	–	(1,000.0)	(1,000.0)
Credit to equity for equity-settled share based payments	–	–	0.3	–	0.3
Balance at 31 December 2012	150.0	1,450.0	0.3	1,661.5	3,261.8
Total comprehensive income for the year	–	–	–	193.1	193.1
Dividends paid	–	–	–	(242.7)	(242.7)
Credit to equity for equity-settled share based payments	–	–	4.1	–	4.1
Shares distributed by employee trusts	–	–	(0.5)	–	(0.5)
Balance at 31 December 2013	150.0	1,450.0	3.9	1,611.9	3,215.8

The attached notes on pages 171 to 174 form an integral part of these separate financial statements.

Parent Company cash flow statement

For the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Net cash (used by) /generated from operating activities	12	(3.0)	7.4
Cash flows from investing activities			
Interest received on loans to subsidiary undertakings		47.5	23.8
Dividends received from subsidiary undertakings		220.8	1,545.0
Acquisition of investments in subsidiary undertakings		(9.1)	(105.2)
Disposal of investments in subsidiary undertakings	2	39.3	-
Cash flows from net investment hedges		(5.3)	-
Net cash generated from investing activities		293.2	1,463.6
Cash flows from financing activities			
Dividends paid		(242.7)	(1,000.0)
Proceeds on issue of subordinated liabilities		-	493.0
Finance costs		(46.3)	(23.1)
Repayment of borrowings from related parties		(255.0)	(322.5)
Proceeds of borrowings from related parties		-	120.9
Net increase in loans advanced to subsidiary undertakings		(7.7)	(503.1)
Net cash used by financing activities		(551.7)	(1,234.8)
Net (decrease) / increase in cash and cash equivalents		(261.5)	236.2
Cash and cash equivalents at the beginning of the year	5	268.3	32.1
Cash and cash equivalents at the end of the year	5	6.8	268.3

The attached notes on pages 171 to 174 form an integral part of these separate financial statements