Company Registration No: 02280426

RBS INSURANCE GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009

Group Secretariat
The Royal Bank of Scotland Group plc
Gogarburn
PO Box 1000
Edinburgh EH12 1HQ

CONTENTS

RBS INSURANCE GROUP LIMITED **02280426**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS·	L J Bartlett I Falconer P R Geddes S K Howard C P Sullıvan
SECRETARY	P A Hutchıngs
REGISTERED OFFICE	Churchıll Court Westmoreland Road Bromley Kent BR1 1DP
AUDITORS·	Deloıtte LLP London

Regıstered In England and Wales

RBS INSURANCE GROUP LIMITED 02280426

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2009

ACTIVITIES AND BUSINESS REVIEW

Activity

The Company's principal activity during the year continues to be that of a holding company for the companies trading under Direct Line, Churchill, UKI Partnerships, Privilege, Green Flag and Tracker brands in the United Kingdom and overseas

The directors do not anticipate any material change in either the type or level of activities of the Company

The Company is a subsidiary of The Royal Bank of Scotland Group plc which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business The annual reports of The Royal Bank of Scotland Group plc review these matters on a Group basis Copies can be obtained from Group Secretariat, RBS Gogarburn, Edinburgh EH12 1HQ, the Registrar of Companies or through the Group's website at rbs com

Review of the year

Business review

The directors are satisfied with the Company's performance in the year The Company will be guided by its immediate parent company in seeking further opportunities for growth

No dividends were paid during the year ended 31 December 2009 (2008 £nil) The directors do not recommend the payment of a final dividend (2008 £nil)

Financial performance

The Company's financial performance is presented in the Statement of Comprehensive Income on Page 6 At the end of the year, the financial position showed total assets of £2,502 2m (2008 £2,411 9m) and equity of £2,290 9m (2008 £2,206 0m)

Going concern

The directors, having made such enquiries as they consider appropriate, including regarding the continuing availability of sufficient resources from the Group, have prepared the financial statements on a going concern basis They considered the financial statements of The Royal Bank of Scotland Group plc for the year ended 31 December 2009, approved on 24 February 2010, which were prepared on a going concern basis

Principal risks and uncertainties

The Company seeks to minimise its exposure to external risk factors and the principal uncertainties that arise from those risks Further information on financial risk management policies and exposures is disclosed in note 2

DIRECTORS AND SECRETARY

The present directors and secretary who have served throughout the year, except where noted below, are listed on page 1

From 1 January 2009 to date the following changes have taken place

	Appointed	Resigned
Directors		
M A Fisher		27 February 2009
G F Pell	21 April 2009	31 July 2009
P R Geddes	12 August 2009	
M A Hesketh		28 August 2009
L J Bartlett	18 September 2009	
S K Howard	18 September 2009	
E J G Smith		15 December 2009
N C McLuskie		11 February 2010

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare a directors' report and financial statements for each financial year and the directors have elected to prepare them in accordance with International Financial Reporting Standards as adopted by the European Union 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 at the end of the year and the profit and loss for the financial year as far as concern members of the Company In preparing these financial statements, under International Accounting Standard 1, the directors are required to

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that

(a) so far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
(b) the director has taken all the steps that he/she ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are 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

DIRECTORS' INDEMNITIES

In terms of Section 236 of the Companies Act 2006, Mr L J Bartlett, Mr I Falconer, Mr M A Fisher, Mr P R Geddes, Mr M A Hesketh, Mrs S K Howard, Mr N C McLuskie, Mr G F Pell, Mr E J G Smith and Mr C P Sullivan had been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company follows the policy and practice on payment of creditors determined by The Royal Bank of Scotland Group plc ('RBSG'), as outlined below

RBSG is committed to maintaining a sound commercial relationship with its suppliers Consequently, it is RBSG's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed

DIRECTORS' REPORT (Continued)

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors

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

L J Bartlett

L J Bartlett
Director
2 May 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS INSURANCE GROUP LIMITED

We have audited the financial statements of RBS Insurance Group Limited ('the Company') for the year ended 31 December 2009 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 auditors' 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

Respective responsibilities of directors and auditors

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 Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

Jeremy Casson.

Jeremy Casson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
20 May 2010

RBS INSURANCE GROUP LIMITED 02280426

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £ Million	2008 £ Million
Administration expenses	3	(9 2)	(13 9)
Operating loss		**(9 2)**	**(13 9)**
Investment income	4	139 8	135 4
Impairment in investments in subsidiary undertakings	9	(42 6)	(40 7)
Finance costs	5	(4 0)	(14 0)
Profit before tax		**84.0**	**66 8**
Tax credit	6	0 9	5 1
Profit for the year	7	**84 9**	**71 9**
Other comprehensive income		-	-
Total comprehensive income for the year		**84 9**	**71 9**

The total comprehensive income for the year was entirely attributable to equity shareholders of the Company and is derived from continuing operations

The notes on pages 10 to 27 form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Notes	2009 £ Million	2008 £ Million
ASSETS			
Non-current assets			
Investments in subsidiary undertakings	9	2,221 3	2,132 9
Loans and receivables	10	280 0	273 9
Cash and cash equivalents	11	-	0 1
Current tax assets	16	0 9	5 0
		280 9	279 0
Total assets		**2,502 2**	**2,411 9**
EQUITY			
Share capital	12	1,500 0	1,500 0
Other reserves	13	100 0	100 0
Retained earnings	13	690 9	606 0
Total equity		**2,290.9**	**2,206 0**
LIABILITIES			
Current liabilities			
Borrowings	14	205 0	205 0
Trade and other payables	15	6 3	0 9
		211 3	205 9
Total liabilities		**211 3**	**205 9**
Total equity and liabilities		**2,502 2**	**2,411 9**

The financial statements were approved by the Board of Directors and authorised for issue on 20 May 2010 They were signed on its behalf by

L J Bartlett

L J Bartlett
Director

The notes on pages 10 to 27 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Share capital £ Million	Other reserves £ Million	Retained earnings £ Million	Total £ Million
Balance as at 1 January 2008	12, 13	**1,500 0**	**100 0**	**534 1**	**2,134 1**
Profit for the year		-	-	71 9	**71 9**
Balance as at 31 December 2008	12, 13	**1,500.0**	**100 0**	**606 0**	**2,206 0**
Profit for the year		-	-	84 9	**84 9**
Balance as at 31 December 2009	12, 13	**1,500 0**	**100 0**	**690 9**	**2,290 9**

Total changes in equity for the year were entirely attributable to equity shareholders of the Company

The notes on pages 10 to 27 form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £ Million	2008 £ Million
Profit for the year		84 9	71 9
Adjustments for			
Investment revenues	4	(139 8)	(135 4)
Impairment in investments in subsidiary undertakings	9	42 6	40 7
Finance costs	5	4 0	14 0
Tax credit	6	(0 9)	(5 1)
Operating cash flows before movements in working capital		**(9.2)**	**(13 9)**
Net increase/(decrease) in inter-company creditor balances		5 4	(0 4)
Cash used by operations		**(3.8)**	**(14 3)**
Taxes received		5 0	19 2
Interest paid on loans from related parties	16	(4 0)	(13 9)
Net cash used by operating activities		**(2.8)**	**(9 0)**
Cash flows from investing activities			
Interest received on loans to related parties	16	9 8	12 4
Dividends received from subsidiary undertakings	4, 16	130 0	125 0
Acquisition of investments in subsidiary undertakings	9	(131 0)	(3 0)
Net cash generated from investing activities		**8.8**	**134 4**
Cash flow from financing activities			
Repayments of borrowings from related parties	16	-	(36 8)
Proceeds of borrowings from related parties	16	-	10 4
Loans advanced to related parties	16	(11 4)	(170 9)
Loan repayments received from related parties	16	5 3	72 0
Net cash used by financing activities		**(6.1)**	**(125.3)**
Net (decrease)/increase in cash and cash equivalents		(0 1)	0 1
Cash and cash equivalents at the beginning of the year		0 1	-
Cash and cash equivalents at the end of the year	11	**-**	**0.1**

The notes on pages 10 to 27 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

1 1 Basis of accounting

The financial statements, which should be read in conjuction with the Directors' Report are prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union The financial statements also comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS The financial statements have been prepared on the historical cost basis except that available-for-sale financial assets are stated at their fair value

The Company is exempt from preparing consolidated financial statements by virtue of section 400 of the Companies Act 2006 as the Company is included in the IFRS financial statements of The Royal Bank of Scotland Group plc, details of which are in note 16

The Company has considerable financial resources and as a consequence, the directors believe the Company is well placed to manage its business risks successfully despite the current uncertain economic climate 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 Activities and Business Review section of the Directors' Report on page 2 In addition note 2 to the financial statements include the Company's objectives, policies and processes for managing its financial risks and capital

1.2 Revenue recognition

Dividend income from investments in subsidiary undertakings are recognised when the shareholders' rights to receive payment have been established Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value

1 3 Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any impairment in the value of individual investments, based on an annual assessment Any impairment is charged to the statement of comprehensive income

1.4 Financial assets

Loans and receivables – financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less impairment

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership

1 5 Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES (Continued)

1 5 Impairment of financial assets (continued)

Loans and receivables – if there is objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets and its recoverable amount Impairment losses are assessed individually where significant or collectively for assets that are not individually significant

Impairment losses 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 impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance

1 6 Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity, taking into account relief for overseas taxation where appropriate

Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes, except in relation to overseas earnings where remittance is controlled by the Group, and goodwill

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered

1 7 Transactions with related parties

IFRS requires all entities to disclose related party transactions The Company's policy is to have regard to materiality from both the shareholder's and the related party's perspective

1 8 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks

Under IAS 7 the Company is producing a cash flow statement using the indirect method This shows an explanation of the movement in cash and cash equivalents as defined above

1 9 Borrowings

The Company classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement

Borrowings comprise inter-company loans The borrowing costs are recognised in the Statement of Comprehensive Income as finance costs in the period in which they are incurred

Borrowings are measured at amortised cost using the effective interest method

1 10 Financial liabilities

Trade and other payables are carried at amortised cost The directors consider that the carrying amount of trade and other payables approximates their fair values

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES (Continued)

1.11 Accounting developments

The International Accounting Standards Board published a revised IFRS 3 'Business Combinations' and related revisions to IAS 27 'Consolidated and Separate Financial Statements' following the completion in January 2008 of its project on the acquisition and disposal of subsidiaries The standards improve convergence with US GAAP and provide new guidance on accounting for changes in interests in subsidiaries The cost of an acquisition will comprise only consideration paid to vendors for equity, other costs will be expensed immediately Groups will only account for goodwill on acquisition of a subsidiary, subsequent changes in interest will be recognised in equity and only on a loss of control will there be a profit or loss on disposal to be recognised in income The changes are effective for accounting periods beginning on or after 1 July 2009 but both standards may be adopted together for accounting periods beginning on or after 1 July 2007 These changes will affect the Company's accounting for future acquisitions and disposals of subsidiaries

In May 2008, the IASB issued amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IAS 27 'Consolidated and Separate Financial Statements' that change the investor's accounting for the cost of an investment in a subsidiary, jointly controlled entity or associate The changes are not expected to have a material effect on the Company, but may prospectively affect the Company's accounting and presentation of receipts of dividends from such entities

The IASB issued amendments to a number of standards in April 2009 as part of its annual improvements project The amendments are effective for accounting periods beginning on or after 1 January 2010 and are not expected to have a material effect on the Group or Company

The IASB issued an amendment, 'Group Cash-settled Share-based Payment Transactions', to IFRS 2 'Share-based Payment' in June 2009 that will change the accounting for share awards by permitting accounting for equity settlement only by entities that either grant awards over their own equity or have no obligation to settle a share-based payment transaction The amendment is effective for accounting periods beginning on or after 1 January 2010 and is not expected to have a material effect on the Company

The IASB published an amendment 'Classification of Rights Issues' to IAS 32 'Financial Instruments Presentation' and consequential revisions to other standards in October 2009 to improve the accounting for issues of equity for consideration fixed other than in the reporting entity's functional currency The amendment is effective for accounting periods beginning on or after 1 February 2010 but it may be adopted earlier It is not expected to have a material effect on the Company

The IASB reissued IAS 24, 'Related Party Disclosures', in November 2009 clarifying the existing standard and to provide certain exemptions for entities under government control The revised standard is effective for accounting periods beginning on or after 1 January 2011 and is expected generally to reduce the volume of disclosure between the Group and other parties related to the UK Government

The International Financial Reporting Interpretations Committee (IFRIC) issued interpretation IFRIC 17 'Distributions of Non-Cash Assets to Owners' and the IASB made consequential amendments to IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' in December 2008 The interpretation requires distributions to be presented at fair value with any surplus or deficit to be recognised in income The amendment to IFRS 5 extends the definition of disposal groups and discontinued operations to disposals by way of distribution The interpretation is effective for accounting periods beginning on or after 1 July 2009, to be adopted at the same time as IFRS 3 (revised 2008), and is not expected to have a material effect on the Company

The IFRIC issued interpretation IFRIC 18 'Transfers of Assets from Customers' in January 2009 The interpretation addresses the accounting by suppliers that receive assets from customers, requiring measurement at fair value The interpretation is effective for assets from customers received on or after 1 July 2009 and is not expected to have a material effect on the Company

1. ACCOUNTING POLICIES (Continued)

1 11 Accounting developments (continued)

The IASB published an amendment to IFRS 7, 'Financial instruments Disclosures' in March 2009 This amendment forms part of the IASB's response to the financial crisis and addresses the G20 conclusions aimed at improving transparency and enhance accounting guidance The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk The amendment introduces a three-level hierarchy for fair value measurement disclosure and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy In addition, the amendment clarifies and enhances existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities The amendment is effective for accounting periods beginning on or after 1 January 2009 These changes will affect the Company's reporting of financial instruments

The IASB published an amendment to IAS 39, 'Financial Instruments Recognition and measurement' on 'Eligible hedged items' This amendment makes two significant changes It prohibits designating inflation as a hedgeable component of a fixed rate debt It also prohibits including time value in the one-sided hedged risk when designating options as hedges The amendment is effective for accounting periods beginning on or after 1 July 2009 and must be applied retrospectively in accordance with IAS 8, 'Accounting policies' This amendment is not expected to have a material effect on the Company

The IASB published in November 2009, IFRS 9, 'Financial instruments' on classification and measurement This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39 IFRS 9 has two measurement categories amortised cost and fair value All equity instruments are measured at fair value A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest Otherwise it is at fair value through profit or loss The standard is effective for accounting periods beginning on or after 1 January 2013 These changes will affect the Company's accounting for debt securities

The IASB published in July 2009, an amendment to IFRS 1 on first time adoption of IFRS additional exemptions These amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4 The amendment is effective for accounting periods beginning on or after 1 January 2010 and is not expected to have a material effect on the Company

The IFRIC issued interpretation IFRIC 19 'Extinguishing financial liabilities with equity instruments' in November 2009 This IFRIC clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor A gain or loss is recognised in the statement of comprehensive income based on the fair value of the equity instruments compared to the carrying amount of the debt The interpretation is effective for accounting periods beginning on or after 1 July 2010, and is not expected to have a material impact on the Company

The IFRIC issued an amendment to IFRIC 14, 'Prepayments of a minimum funding requirement' in November 2009 This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement The amended interpretation is effective for accounting periods beginning on or after 1 January 2011, and is not expected to have a material impact on the Company

1 ACCOUNTING POLICIES (Continued)

1 12 Adoption of new and revised Standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements

IAS 1 (Revised) Presentation of Financial Statements

The IASB issued revised IAS 1 Presentation of Financial Statements in September 2007 which is effective for the financial years beginning on or after 1 January 2009 This standard requires all owner changes in equity to be presented in a statement of changes in equity, and all non-owner changes either in one statement of comprehensive income or in two separate statements which are income statement and a statement of comprehensive income The previous standard required components of comprehensive income to be presented in the statement of changes in equity The revised standard also requires that the income tax effect of each component of comprehensive income be disclosed In addition, it requires entities to present a comparative statement of financial position as at the beginning of the earliest comparative period when the entity has applied an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in the financial statements

Listed below are Standards and Interpretations that have been issued, which became applicable for this year, but had no impact on the reported results nor the financial position

- IFRS 1 (Revised 2008) First-time adoption of International Financial Reporting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendment),
- IFRS 2 Share-Based Payment (Amendment),
- IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity (Amendment),
- IAS 39 Financial Instruments Recognition and Measurement and IFRS 7 Financial Instruments Disclosures (Amendment),
- IAS 32 Financial Instruments Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation,
- IFRIC 13 Customer Loyalty Programmes,
- IFRIC 15 Agreement for the Construction of Real Estate, and
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The following amendments were made as part of Improvements to IFRSs (2008) These improvements did not affect the reported results nor the financial position of the Company

- Amendment to IAS 38 Intangible Assets,
- Amendment to IAS 40 Investment Property,
- Amendment to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, and
- Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations

1 13 Capital

The Company is a member of a group with regulatory disciplines over the use of its capital Although the Company is not regulated it maintains a level of capital and reserves consistent with Group policy, paying dividends and receiving additional capital commensurate with its plans for the immediate future

2 MANAGEMENT OF FINANCIAL RISK

The Company is a member of the Insurance Division of The Royal Bank of Scotland Group plc As such, the Company benefits from services provided by specialist teams and risk management procedures and controls which are applied consistently across the Division The disclosures below relate to the Insurance Division as a whole

2 1 Risk management

2 1 1 Risk management within RBS Group

The management of risk is a fundamental management activity performed throughout all the Group's operations As such it underpins the Group's reputation, performance and future success It is, therefore, critically important that the adequacy and effectiveness of the Group's risk management processes are of the highest standard and subject to continuous review and enhancement

The Group has put in place a comprehensive risk management framework comprising

- leadership, strategy and culture set by the Board and put into effect through Executive Management,
- policies, procedures, processes and systems to execute effective risk management throughout the Group,
- a comprehensive committee structure operating at Group level to direct, approve and review actions taken to manage risk Where appropriate this is replicated at a Divisional level, and
- Risk Management functions that are independent of the business management to enforce agreed policy

A number of high-level committees support the Board in the effective measurement and management of risk

RBS Group Policy Framework

The RBS Group has developed, and adopted globally, one comprehensive Group Policy Framework The aim of the Group Policy Framework is to provide a simplified and effective framework to standardise presentation and control of Group policy including new policies and amendments All employees have easy access to current Group policies and policy standards through a single Group intranet site

Group Policies address the major areas of risk to the Group and the standards that must be met to enable those risks to be managed in line with Group risk appetite All Group Policies must be approved by the Executive Committee (ExCo)

2.2 Financial risk

The Company is exposed to financial risk through its financial assets and financial liabilities

The Company's financial risk exposure is minimal and arises primarily from its loans and receivables due from, and loans due to, related parties

These balances are all payable on demand and carry a floating rate of interest which is reset on a monthly basis

2 2.1 Market risk

Market risk encompasses any adverse movement in the value of assets as a consequence of market movements such as interest rates, credit spreads, foreign exchange rates, equity prices and property valuations

The Company is exposed to market risk in both the value of its assets and the value of liabilities held

<u>Interest rate risk</u>

Interest rate risk arises primarily from the Company's loans and receivables due from, and loans due to, related parties

A table showing the sensitivity of profits to changes in interest rates is included overleaf

2 MANAGEMENT OF FINANCIAL RISK (Continued)

2 2 1 Market risk (continued)

Sensitivity analysis

The results of sensitivity testing are set out below The impact of a reasonably possible change in a single factor is shown, with other assumptions left unchanged

Sensitivity factor	Description of sensitivity analysis
Interest rate	The impact of a change in market interest rates by +/- 1% (e g if a current interest rate is 2%, the impact of an immediate change to 1% or 3%)
Expenses	The impact of an increase in ongoing administrative expenses by 10%

Sensitivity at 31 December 2009

	Interest rates +1%	Interest rates -1%	Expenses +10%
Impact on profit before tax (£ Million)	0 8	(0 8)	(0 9)
Impact (before tax) on shareholder's equity (£ Million)	0 8	(0 8)	(0 9)

Sensitivity at 31 December 2008

	Interest rates +1%	Interest rates -1%	Expenses +10%
Impact on profit before tax (£ Million)	0 2	(0 2)	(1 4)
Impact (before tax) on shareholder's equity (£ Million)	0 2	(0 2)	(1 4)

Limitations of sensitivity analysis

The above tables show the effect of a change in a key assumption while other assumptions remain unchanged In reality, there is a correlation between the assumptions and other factors It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results

2.2 2 Credit risk

Credit risk arises from the potential that losses are incurred from the failure of a counterparty to meet its credit obligations The main source of credit risk for the Company is loans and receivables

The objective of the Credit Risk Policy and supporting Minimum Standards is to document the control processes by which the Company is able to identify, monitor, measure, manage, control and mitigate the level of credit risk effectively against the risk appetite The credit risk control environment is summarised below in the key elements of the policy

Credit risk governance

A Credit Risk Management Framework must be in place that is appropriate for the agreed risk appetite that is established and maintained by adequately skilled credit risk professionals and is supported by appropriate minimum standards, tools, techniques and credit systems and reporting

2 MANAGEMENT OF FINANCIAL RISK (Continued)

2 2 2 Credit risk (continued)

Credit risk assessment and credit limit approvals

A credit risk assessment is a process to determine the creditworthiness of a counterparty prior to entering into a transaction or contract with that counterparty A credit limit is used to define the level of credit risk that the Company is prepared to accept by a counterparty

Where appropriate, the Company must assess credit risk and set a credit limit prior to entering into a transaction or contract with the counterparty Each assessment and credit limit must be approved in accordance with Credit Authorities

Credit authority

Credit risk assessments and limits must be approved by an individual or committee that has been provided with formally documented credit approval authority Approval authorities must be reviewed and renewed at least annually

Monitoring and reporting

The Company monitors the level of actual credit exposure and measures this against the defined credit assessments and limits

The main source of credit risk for the Company are receivables from related parties These amounts are managed within the Credit Risk Management Framework

The following table provides information regarding the carrying value of financial assets that are neither past due nor impaired, the ageing of financial assets that are past due but not impaired and financial assets that have been impaired

At 31 December 2009

	Neither past due nor impaired £ Million	Past due 1 - 30 days £ Million	Past due 31 - 60 days £ Million	Past due 61 - 90 days £ Million	Past due more than 91 days £ Million	Carrying value in the balance sheet £ Million	Financial assets that have been impaired £ Million
Loans and receivables - due from related parties (notes 10)	**280 0**	-	-	-	-	**280 0**	-

At 31 December 2008

	Neither past due nor impaired £ Million	Past due 1 - 30 days £ Million	Past due 31 - 60 days £ Million	Past due 61 - 90 days £ Million	Past due more than 91 days £ Million	Carrying value in the balance sheet £ Million	Financial assets that have been impaired £ Million
Cash at bank and in hand (note 11)	0 1	-	-	-	-	0 1	-
Loans and receivables - due from related parties (notes 10)	273 9	-	-	-	-	273 9	-
	274.0	-	-	-	-	**274 0**	-

There were no material financial assets that would have been past due or impaired had the terms not been renegotiated The Company does not hold any collateral as security

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

2 MANAGEMENT OF FINANCIAL RISK (Continued)

2 2 2 Credit risk (continued)

The following table analyses the credit quality of financial assets that are neither past due nor impaired by type of asset

At 31 December 2009	Total All non-rated £ Million
Loans and receivables due from related parties (notes 10)	280 0

At 31 December 2008	Total All non-rated £ Million
Cash at bank and in hand (note 11)	0 1
Loans and receivables due from related parties (notes 10)	273 9
Total	274 0

Loans and receivables due from related parties generally do not have a credit rating

2 2 3 Liquidity risk

Liquidity risk is the potential that obligations cannot be met as they fall due as a consequence of having a timing mismatch

The measurement and management of liquidity risk within the RBS Insurance Division is undertaken within the limits and other policy parameters set out in the Liquidity Risk Policy Compliance is monitored in respect of the internal policy where appropriate

In all of the events considered the Company is comfortably able to meet its liabilities as they fall due The maturity profile of the Company's financial liabilities are outlined in notes 14 and 15

2 2 4 Capital risk management

The Company defines capital in accordance with the legal and statutory requirements and manages its capital in accordance with generally accepted processes and principles In particular, its objectives when managing capital are

- to comply with the legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of the Company,
- to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during periods of general financial stress, either due to internal or external events, and
- to safeguard the Company's ability to continue as a going concern

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

3 ADMINISTRATION EXPENSES

	2009 £ Million	2008 £ Million
Management fees paid to related parties (note 16)	9 2	13 9

4 INVESTMENT INCOME

	2009 £ Million	2008 £ Million
Interest income from loans to subsidiary undertakings (note 16)	9 8	10 4
Dividend income from subsidiary undertakings (note 16)	130 0	125 0
	139 8	135 4

5 FINANCE COSTS

	2009 £ Million	2008 £ Million
Interest expense with related parties (note 16)		
Borrowings	4 0	14 0

6 TAX CREDIT

	2009 £ Million	2008 £ Million
Tax credit for the year	0 9	5 1

The actual tax credit differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 28% (2008 28 5%) The differences are explained below

	2009 £ Million	2008 £ Million
Expected tax charge	(23 5)	(19 0)
Effects of non-taxable items		
Dividends received	36 4	35 6
Impairment in investments in subsidiary undertakings	(11 9)	(11 6)
Adjustments in respect of prior periods	(0 1)	0 1
Tax credit for the year	0 9	5 1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

7 PROFIT FOR THE YEAR

Profit for the year is stated after charging	2009 £ Million	2008 £ Million
Impairment in investments in subsidiary undertakings	42 6	40 7

Auditors' remuneration

Fees for audit and non-audit services, included within administration expenses, are borne and recharged by a related party, RBS Insurance Services Limited

Fees paid to the auditors in respect of the audit of the accounts of the Company amount to £3,000 (2008 £2,500)

Employees

The Company had no employees at any time during the current nor preceding year

Key management

	2009 £	2008 £
Fees as directors	360	48
Other emoluments	2,390	440
Company pension contributions	429	45
	3,179	533

None of the directors who served during this or the previous financial year were remunerated by the Company The amounts disclosed above are those relating to their services as directors for the Company based on an estimated time allocation basis Emoluments in relation to services performed by the directors for other group companies are not disclosed in the Company's financial statements

Included in the above are emoluments, excluding pension contributions, paid to the highest paid director amounting to £1,414 (2008 £431) A contribution of £271 (2008 £45) was made to a final salary scheme on behalf of the highest paid director No director (2008 Nil) had retirement benefits accruing under money purchase pension schemes in respect of qualifying service

During the year no director exercised share options (2008 one)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

8 CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost The summary of significant accounting policies in note 1 describes how the classes of financial instrument are measured and how income and expenses of the financial assets and liabilities by category are defined in IAS 39 and by the balance sheet heading

As at 31 December 2009

	Loans and receivables £ Million	Other (amortised costs) £ Million	Non-financial assets/ liabilities £ Million	Total £ Million
Investments in subsidiaries (note 9)	-	n/a	2,221 3	2,221.3
Loans and receivables (note 10)	280 0	n/a	-	280.0
Current tax assets	-	n/a	0 9	0 9
	280 0	n/a	2,222 2	2,502 2
Borrowings (note 14)	n/a	205 0	-	205 0
Trade and other payables (note 15)	n/a	6 3	-	6 3
	n/a	211 3	-	211 3
Equity				2,290.9
				2,502 2

As at 31 December 2008

	Loans and receivables £ Million	Other (amortised costs) £ Million	Non-financial assets/ liabilities £ Million	Total £ Million
Investments in subsidiaries (note 9)	-	n/a	2,132 9	2,132.9
Loans and receivables (note 10)	273 9	n/a	-	273.9
Cash and cash equivalents (note 11)	0 1	n/a	-	0.1
Current tax assets	-	n/a	5 0	5.0
	274 0	n/a	2,137 9	2,411 9
Borrowings (note 14)	n/a	205 0	-	205.0
Trade and other payables (note 15)	n/a	0 9	-	0 9
	n/a	205.9	-	205.9
Equity				2,206 0
				2,411.9

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

9 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2009 £ Million	2008 £ Million
At 1 January	2,132 9	2,170 6
Additions in the year	131 0	3 0
Impairment taken through income statement	(42 6)	(40 7)
At 31 December	**2,221 3**	**2,132 9**

Additions in the year represent a capital injection of £130m paid to The National Insurance and Guarantee Corporation Limited and the acquisition of Finsure Premium Finance Limited for £1m

Following a review of the net asset values of subsidiary undertakings compared to their carrying value in the balance sheet, it has been concluded that there has been an impairment in the overall carrying value of the investments

Details of the Company's subsidiaries as at 31 December 2009 are as follows

The Company holds 100% of the share capital of the following companies Unless otherwise indicated all companies are registered in England and Wales

Name of subsidiary	Place of incorporation and operation	Class of shares held	Proportion of ownership interest / voting power held	Principal activity
C S G Claims Services Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Churchill Court Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Churchill Insurance Company Limited	Great Britain	Ordinary	100%	General insurance
D L Buildings Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Devitt Insurance Services Limited	Great Britain	Ordinary	100%	Insurance broker
Direct Line Group Limited	Great Britain	Ordinary	100%	Holding company
Direct Line Life Insurance Company Limited	Great Britain	Ordinary	100%	Life insurance
Direct Line Unit Trusts Limited	Great Britain	Ordinary	100%	Direct Line investment funds
Finsure Premium Finance Limited	Great Britain	Ordinary	100%	Premium finance
Indemnity Insurance Limited	Great Britain	Ordinary	100%	General insurance
Inter Group Insurance Services Limited	Great Britain	Ordinary A & Ordinary B	100%	Holding company
RBS Business Insurance Services Limited	Great Britain	Ordinary	100%	Insurance broker
RBS Insurance Services (Ireland) Limited (1)	Ireland	Ordinary	100%	Insurance intermediary
RBS Insurance Services Limited	Great Britain	Ordinary	100%	Management services
The National Insurance and Guarantee Corporation Limited	Great Britain	Ordinary	100%	General insurance
Tracker Network (UK) Limited	Great Britain	Ordinary	100%	Stolen vehicle recovery and vehicle asset management
UK Assistance Accident Repair Centres Limited	Great Britain	Ordinary	100%	Motor body repairs
UK Assistance Limited	Great Britain	Ordinary	100%	Dormant company
Weald Leasing Limited	Great Britain	Ordinary	100%	Asset management and leasing

(1) Registered in Ireland

*Company was dissolved on 24 February 2010

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

9 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (Continued)

The Company holds the share capital of the following companies through subsidiaries of the Company Unless otherwise indicated all companies are registered in England and Wales

Name of subsidiary	Place of incorporation and operation	Class of shares held	Proportion of ownership interest / voting power held	Principal activity
All Risk Management Limited*	Great Britain	Ordinary	100%	Risk management consultancy
Direct Line Insurance plc	Great Britain	Ordinary	100%	General insurance
Direct Line Insurance S p A (2)	Italy	Ordinary	100%	General insurance
Direct Line Life Holdings Limited*	Great Britain	Ordinary A & Ordinary B	100%	In Members' Voluntary Liquidation
Direct Line Property Investments Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Green Flag Holdings Limited	Great Britain	Ordinary	100%	Holding company
Green Flag Group Limited	Great Britain	Ordinary & Preference	100%	Holding company
Green Flag Limited	Great Britain	Ordinary & Deferred Ordinary	100%	Motor vehicle assistance, repair and recovery services
Headrow Reinsurance Limited (3)	Guernsey	Ordinary	100%	Provision of reinsurance
Inter Group Intermediary Services Limited (1)**	Ireland	Ordinary	100%	Insurance intermediary
Intergroup Assistance Services Limited	Great Britain	Ordinary	100%	Medical support to travellers
Dormaco (No 10) Limited (formerly Jamjar com Limited)***	Great Britain	Ordinary	100%	Dormant company
Dormaco (No 9) Limited (formerly Journeywise Direct Limited)*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Kickshaws Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
National Breakdown Recovery Club Limited	Great Britain	Ordinary	100%	Dormant company
Nationwide Breakdown Recovery Services Limited	Great Britain	Ordinary	100%	Dormant company
Set2print Limited*	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
Tracker Network Limited	Great Britain	Ordinary	100%	In Members' Voluntary Liquidation
U K Insurance Limited	Great Britain	Ordinary & Redeemable Preference	100%	General insurance
UKI Life Assurance Services Limited	Great Britain	Ordinary	100%	Dormant company

(1) Registered in Ireland
(2) Registered in Italy
(3) Registered in Guernsey

*Company was dissolved on 24 February 2010
**Company was placed into Members' Voluntary Liquidation on 3 March 2010
***Company was dissolved on 27 April 2010

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

10 LOANS AND RECEIVABLES

	2009 £ Million	2008 £ Million
Loans to related parties (note 16)	280 0	273 9

11 CASH AND CASH EQUIVALENTS

	2009 £ Million	2008 £ Million
Cash at bank and in hand		
- third parties	-	0.1

12 SHARE CAPITAL

	2009 £ Million	2008 £ Million
Authorised·		
Equity shares		
1,500 million ordinary shares of £1 each	1,500 0	1,500.0
Issued and fully paid		
Equity shares		
1,500 million ordinary shares of £1 each	1,500 0	1,500 0

13 OTHER RESERVES AND RETAINED EARNINGS

	Retained earnings £ Million	Capital contribution £ Million	Total £ Million
Balance brought forward at 1 January 2008	534 1	100 0	634 1
Profit for the year	71 9	-	71 9
Balance carried forward at 31 December 2008	606 0	100 0	706 0
Profit for the year	84 9	-	84 9
Balance carried forward at 31 December 2009	690 9	100.0	790 9

14 BORROWINGS

	2009 £ Million	2008 £ Million
Loans from related parties (note 16) - current	205.0	205.0

The borrowings are repayable on demand or within one year

The carrying value of short-term borrowings approximate to their fair value

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

15. TRADE AND OTHER PAYABLES

	2009 £ Million	2008 £ Million
Due to related parties (note 16)	6 3	0 9

Related party balances are settled each month

16 RELATED PARTIES

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly-owned by the UK Government As a result, the UK Government and UK Government controlled bodies became related parties of the Company

The Company's immediate parent company, ultimate holding company, ultimate controlling party, and the parent of the largest and smallest group into which the Company is consolidated is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland Copies of financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, PO Box 1000, Gogarburn, Edinburgh EH12 1HQ

The volume and diversity of transactions with government related entities are such that the full disclosure of their amounts during the year are impractial

The following transactions were carried out with related parties

i. Administration expenses	2009 £ Million	2008 £ Million
Management fees (note 3)		
RBS Insurance Services Limited	9 2	13.9

ii. Investment income	2009 £ Million	2008 £ Million
Interest received (note 4)		
RBS Insurance Services Limited	0 3	1 6
The National Insurance and Guarantee Corporation Limited	9 5	8 8
	9 8	10.4

Interest income received from deposits held with related parties were at rates ranging from 1 05% to 7 79% (2008 6 46% to 8 05%)

	2009 £ Million	2008 £ Million
Dividend income (note 4)		
Churchill Insurance Company Limited	-	50 0
Direct Line Group Limited	130 0	50 0
Direct Line Life Insurance Company Limited	-	20 0
Tracker Network (UK) Limited	-	5 0
	130 0	125 0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

16 RELATED PARTIES (Continued)

iii Finance costs

Interest payable (note 5)	2009 £ Million	2008 £ Million
On borrowings		
National Westminster Bank Plc	-	0 7
The Royal Bank of Scotland Group plc	4 0	13 3
	4 0	14 0

Interest charged on borrowings from related parties were at rates ranging from 0 94% to 3 22% (2008 3 22% to 6 66%)

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

Payables to related parties (note 15)	2009 £ Million	2008 £ Million
Direct Line Unit Trusts Limited	0 9	0 9
RBS Insurance Services Limited	5 4	-
	6 3	0 9

Movements in payables to related parties were as follows	2009 £ Million	2008 £ Million
At 1 January	0 9	1 3
Transactions in the year	9 2	13 9
Settled in the year	(3 8)	(14 3)
At 31 December	6 3	0 9

v. Loans to related parties

	2009 £ Million	2008 £ Million
Loans to related parties (note 10)		
RBS Insurance Services Limited	50 0	43 7
The National Insurance and Guarantee Corporation Limited	230 0	230 2
	280.0	273.9

Movements in loans to related parties were as follows	2009 £ Million	2008 £ Million
At 1 January	273 9	177 0
Loans advanced during year	11 4	170 9
Loan repayments received	(5 3)	(72 0)
Interest receivable (note 4)	9 8	10 4
Interest settled	(9 8)	(12 4)
At 31 December	280 0	273 9

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

16 RELATED PARTIES (Continued)

vi Loans from related parties

	2009 £ Million	2008 £ Million
Loans from related parties (note 14)		
The Royal Bank of Scotland plc	**205 0**	**205 0**

Movements in loans from related parties were as follows	2009 £ Million	2008 £ Million
Loans from related parties		
At 1 January	205 0	231 3
Loans received during year	-	10 4
Loan repayments made	-	(36 8)
Interest charged (note 5)	4 0	14 0
Interest settled	(4 0)	(13 9)
At 31 December	**205 0**	**205 0**

vii Tax

	2009 £ Million	2008 £ Million
Current tax assets are receivable as follows		
HM Revenue & Customs	**0 9**	**5.0**