

Admiral Group plc

Interim Parent Company Financial Statements

Interim Parent Company Income Statement (unaudited)

	Period ended 1 March 2017 £m	Year ended 31 December 2016 £m
Administrative expenses	(0.8)	(4.9)
Operating loss	(0.8)	(4.9)
Investment and interest income	130.9	164.4
Interest payable	(1.8)	(11.4)
Profit before tax	128.3	148.1
Taxation expense	—	2.0
Profit after tax	128.3	150.1

Interim Parent Company Statement of Comprehensive Income (unaudited)

	Period ended 1 March 2017 £m	Year ended 31 December 2016 £m
Profit for the period	128.3	150.1
Other comprehensive income	—	—
Items that are or may be reclassified to profit or loss	—	—
Other comprehensive income for the period, net of income tax	—	—
Total comprehensive income for the period	128.3	150.1

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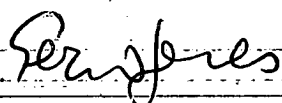
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Interim Parent Company Statement of Financial Position (unaudited)

	Note	As at	
		1 March 2017 £m	31 December 2016 £m
ASSETS			
Shares in group undertakings	2	308.3	308.3
Intangible assets		1.2	1.2
Financial investments	3	218.2	217.4
Corporation tax asset		2.1	2.1
Trade and other receivables		0.4	0.2
Cash and cash equivalents	3	6.8	5.9
Total assets		537.0	536.1
EQUITY			
Share capital	5	0.3	0.3
Share premium account		13.1	13.1
Retained earnings		217.8	89.5
Total equity		231.2	102.9
LIABILITIES			
Subordinated and other financial liabilities	3	220.3	224.0
Trade and other payables	4	85.5	209.2
Total liabilities		305.8	433.2
Total equity and total liabilities		537.0	536.1

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 26 April 2017 and were signed on its behalf by:



Geraint Jones

Chief Financial Officer

Admiral Group plc

Company Number: 03849958

Interim Parent Company Statement of Changes in Equity (unaudited)

	Share capital £m	Share premium account £m	Retained profit and loss £m	Total equity £m
At 1 January 2016	0.3	13.1	255.9	269.3
Profit for the period	—	—	150.1	150.1
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	150.1	150.1
Transactions with equity holders				
Dividends	—	—	(349.8)	(349.8)
Issues of share capital	—	—	—	—
Share scheme charges	—	—	33.2	33.2
Deferred tax on share scheme credit	—	—	0.1	0.1
Total transactions with equity holders	—	—	(316.5)	(316.5)
As at 31 December 2016	0.3	13.1	89.5	102.9
At 1 January 2017	0.3	13.1	89.5	102.9
Profit for the period	—	—	128.3	128.3
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	128.3	128.3
Transactions with equity holders				
Dividends	—	—	—	—
Issues of share capital	—	—	—	—
Share scheme credit	—	—	—	—
Deferred tax on share scheme credit	—	—	—	—
Total transactions with equity holders	—	—	—	—
As at 1 March 2017	0.3	13.1	217.8	231.2

Notes to the Parent Company Financial Statements

For the period ended 1 March 2017

1. Accounting policies

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The amendments to FRS 101 (2015/16 Cycle) issued in June 2016 and effective immediately have been applied. The financial statements are prepared on the historical cost basis except for the revaluation of financial assets classified as fair value through the profit or loss.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

1.2 Disclosure exemptions applied under FRS 101

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- FRS 101.8 (d): the requirement of IFRS 7 *Financial Instruments: Disclosure* to make disclosures about financial instruments
- FRS 101.8 (f): the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - paragraph 118(3) of IAS 38 *Intangible Assets*
- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 *Presentation of Financial Statements* to produce a cash flow statement, a third balance sheet and to make an explicit and unreserved statement of compliance with IFRSs
- FRS 101.8 (h): the requirements of IAS 7 *Statements of Cash Flows* to produce a cash flow statement
- 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 which is a party to transaction is wholly owned by such a member

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.3 Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Company's projections for the next twelve months and beyond, including cash flow forecasts and regulatory capital surpluses.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.4 Critical accounting judgements

In applying the Group's accounting policies as described below management has primarily applied judgement in the impairment testing of the Company's investment in group undertakings. Management has applied judgement in determining whether the carrying value of the investment, or asset may be supported by the recoverable amount calculation based on the 'value in use' of the asset (the net present value of future cash-flows arising from the asset).

In calculating the net present value of future cash-flows, Management has made assumptions over the timing and amount of underlying profit projections of the relevant undertakings, long term growth rates in those projections and the discount rate applied to these projections that is appropriate to reflect the market's view of the risk of the relevant investment.

1.5 Shares in Group undertakings

Shares in Group undertakings are valued at cost less any provision for impairment in value.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the company's investments in subsidiaries. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.5 Employee share schemes

The Company operates a number of share schemes for its employees. For equity settled schemes commencing 1 January 2004 and after, the fair value of the employee services received in exchange for the grant of free shares under the schemes is recognised as an increase in equity in the Company.

1.6 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.7 Financial assets and liabilities

All investments held at fair value at the end of the period are invested in AAA-rated money market liquidity funds. The measurement of these investments is based on active quoted market values (level 1).

Investments classified as held to maturity are comprised of UK government gilts, and are held in the Statement of Financial Position at amortised cost.

Cash and cash equivalents include cash in hand and deposits held at call with banks. All cash and cash equivalents are measured at amortised cost.

The Company's financial liabilities comprise subordinated notes which are held at amortised cost using the effective interest method and a credit facility held at amortised cost.

2. Shares in Group undertakings

	£m
Investments in subsidiary undertakings:	
At 1 January 2016	293.5
Additions	14.8
At 31 December 2016	308.3
Additions	—
At 1 March 2017	308.3

A full list of the Company's subsidiaries is disclosed in the Group's 2016 consolidated financial statements.

3. Financial assets and liabilities

The Company's financial instruments can be analysed as follows:

	1 March 2017 £m	31 December 2016 £m
Investments classified as held to maturity		
Term deposits with credit institutions	20.0	20.0
Gilts	198.2	197.4
	218.2	217.4
Total financial investments	218.2	217.4
Trade and other receivables	0.4	2.3
Cash and cash equivalents	6.8	6.9
Total financial assets	225.4	226.6
Financial liabilities		
Subordinated notes	200.3	204.0
Other borrowings	20.0	20.0
Trade and other payables	85.5	209.2
Total financial liabilities	305.8	433.2

The amortised cost carrying amount of receivables is a reasonable approximation of fair value. The fair values of gilts and subordinated notes (both level one valuations) together with their carrying values shown in the Statement of Financial Position are as follows:

	1 March 2017		31 December 2016	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial assets				
Gilts	198.2	226.8	197.4	225.4
Financial liabilities				
Subordinated notes	200.3	216.2	204.0	212.9

4. Trade and other payables

	1 March 2017 £m	31 December 2016 £m
Trade and other payables	0.1	0.2
Amounts owed to subsidiary undertakings	85.4	209.0
Total trade and other payables	85.5	209.2

5. Share capital

	1 March 2017 £m	31 December 2016 £m
Authorised		
500,000,000 ordinary shares of 0.1 pence	0.5	0.5
Issued, called up and fully paid		
284,352,270 ordinary shares of 0.1 pence	0.3	0.3
281,587,953 ordinary shares of 0.1 pence	—	—
	0.3	0.3

Dividends were declared and paid as follows:

	1 March 2017 £m	31 December 2016 £m
March 2016 (63.4 pence per share, paid June 2016)	—	175.4
August 2016 (62.9 pence per share, paid October 2016)	—	174.4
Total dividends	—	349.8

The dividend declared in March represents the final dividend paid in respect of the 2015 financial year. The dividend declared in August is an interim distribution in respect of 2016.

A final dividend of 51.5 pence per share (£144 million) has been proposed in respect of the 2016 financial year. Refer to the Chairman's Statement and Strategic Report within the Group's 2016 Annual Report for further detail.

6. Continued application of Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework

Following the first time application of FRS 101 Reduced Disclosure Framework in 2015, the Board considers that it is in the best interests of the Group for Admiral Group plc to continue to apply the FRS 101 Reduced Disclosure Framework in future periods. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Admiral Group plc may serve objections to the use of the disclosure exemptions on Admiral Group plc, in writing, to its registered office (Tŷ Admiral, David Street, Cardiff CF10 2EH) no later than 30 June 2017.