

**AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT  
PLANNING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2017**



**Registered number: 02023217**

**AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**STRATEGIC REPORT**

The directors present their strategic report, directors' report and audited financial statements Automobile Association Protection and Investment Planning Limited ("the Company") for the year ended 31 January 2017.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company is a wholly owned subsidiary of Automobile Association Developments Limited.

The Company did not trade during the current or prior year.

The principal activity of the Company was that of the provision of investment planning advice and investments products.

During the year the company performed a capital reduction reducing the number of shares from 764,000 to 1 share of £1.

During the year the Company forgave Intercompany debt of £3,504k (2016: £nil).

The statement of financial position on page 5 of the financial statements shows the Company's net assets position of £nil (2016: £3,504k).

During the year the company converted from FRS 102 to FRS 101.

**DIVIDENDS**

The Company has paid a dividend of £nil for the year (2016: £nil).

**RISK MANAGEMENT FRAMEWORK**

The Company is part of the AA plc group which has developed an embedded enterprise risk management process that facilitates the identification, assessment, escalation and mitigation of the Company's risk exposure across every aspect and activity of the business. This framework enables the business to manage risk using predefined assessment criteria to ensure residual risk levels are in line with the Board's agreed risk appetite.

The principal risks have been grouped into the following categories:

*Financial Risk*

Financial risks are managed centrally by the group treasury team taking into account the Company's position as part of the group with due consideration being given to the impact of transactions with other group entities.

BY ORDER OF THE BOARD



M NEVILLE  
DIRECTOR

24 October 2017

Registered Office:  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

**AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**DIRECTORS' REPORT**

**DIRECTORS**

The directors who held office during the year were as follows:

M F Millar	
G Pritchard	(Appointed 30 April 2016)
M Neville	(Appointed 3 July 2017)
R Scott	(Resigned 30 April 2016)

**COMPANY SECRETARY**

C Hammond

**DIRECTORS' INDEMNITY**

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors and officers. The Company has also granted indemnities to its directors and officers against losses and liabilities incurred in the discharge of their duties, to the extent of the assets of the Company and as permitted by law.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Directors' 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 applicable laws and United Kingdom Accounting Standards (United Kingdom Generally accepted Accounting Policies) including FRS101 "Reduced Disclosure Framework". 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 and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

# **AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**

**FOR THE YEAR ENDED 31 JANUARY 2017**

## **DIRECTORS' REPORT (*continued*)**

### **GOING CONCERN**

The Company's business activities and its exposure to financial risk are described in the strategic report on page 1.

The directors believe that the Company has adequate financial resources due to the available cash resources of the AA plc group which can be drawn upon and the Company's own net asset position. The directors believe that the Company is well placed to manage its business risks successfully using the risk management framework described in the Strategic Report and that the residual risks being taken by the Company are commensurate with its financial resources.

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

### **RE-APPOINTMENT OF AUDITOR**

In accordance with section 487(2) of the Companies Act 2006, the auditor Ernst & Young LLP is deemed re-appointed.

### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each director has made enquiries of their fellow director and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing its report. So far as each director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

BY ORDER OF THE BOARD



M NEVILLE  
DIRECTOR

24 October 2017

Registered Office:  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**

We have audited the financial statements of Automobile Association Protection and Investment Planning Limited for the year ended 31 January 2017 which comprise the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities as set out on page 2, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **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 January 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

### **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.

*Ernst & Young LLP*

Kathryn Barrow (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

24 October 2017

# AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 JANUARY

	Notes	2017 £'000	2016 £'000
<b>CURRENT ASSETS</b>			
Trade and other receivables	5	-	3,504
<b>TOTAL ASSETS</b>		-	3,504
<b>EQUITY</b>			
Called up share capital	6	-	764
Retained earnings		-	2,740
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>		-	3,504

The profit for the period for the Company is £nil.

Signed for and on behalf of the board of directors by:



M NEVILLE  
DIRECTOR

24 October 2017

The accompanying notes are an integral part of these financial statements.

# **AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
<b>At 1 February 2015 and 31 January 2016</b>	764	2,740	3,504
Capital reduction	(764)	764	-
Intercompany forgiveness	-	(3,504)	(3,504)
<b>At 31 January 2017</b>	-	-	-

The accompanying notes are an integral part of these financial statements.

# **AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Presentation of financial statements**

Automobile Association Protection and Investment Planning Limited is incorporated and domiciled in England and Wales.

The financial statements are prepared on a going concern basis.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101"). The financial statements are prepared under the historical cost convention.

The financial statements are prepared in Sterling and are rounded to the nearest £1,000.

### **2 Accounting policies**

#### **2.1 Basis of preparation**

The Company has transitioned to FRS 101 from FRS 102 for all periods presented. As a consequence of adopting FRS 101, the Company has made no restatements to the comparatives with regards to recognition and measurement, but has required amendments to presentation and disclosures in the accounts.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2017.

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

- IAS 1 paragraphs 10(d) and 10(f),
- IAS 1 paragraph 16 (statement of compliance with all IFRS),
- IAS 1 paragraph 38A (requirement for minimum of two primary statements, including cash flow statements),
- IAS 1 paragraph 111 (cash flow statement information),
- IAS 1 paragraphs 134-136 (capital management disclosures)
- IFRS 1 paragraphs 6 and 21,
- IAS 7 'Statement of cash flows',
- IAS 8 paragraphs 30 and 31,
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group,
- IAS 24 'Related party disclosures' (key management compensation)

#### **2.2 Critical accounting estimates and judgements**

The only transactions in the period were corporate simplification, comprising of Intercompany debt forgiveness and a capital reduction. There were no critical accounting estimates or judgements in this Company.

#### **2.3 Significant accounting policies**

##### **a) Trade receivables**

Trade receivables are not interest bearing and are recognised initially at fair value.

### **3 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION**

Auditor's remuneration in respect of the audit of the Company's financial statements for the year was £5k (2016: £nil) which was borne by another group company. The Company's auditor provided no services to the Company other than the annual audit during either of the years under review.



**AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4 DIRECTORS' EMOLUMENTS**

	2017 £'000	2016 £'000
Aggregate remuneration in respect of qualifying services	470	470
Compensation for loss of office	123	-
	<u>593</u>	<u>470</u>
The amounts paid in respect of the highest paid director were as follows:		
Remuneration	288	265
Accrued defined benefit pension	6	5
	<u>294</u>	<u>270</u>

All directors of the Company are also directors of the ultimate parent undertaking (AA plc) and/or fellow subsidiaries. These directors are remunerated by another company that is part of the AA plc group. As the directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of the ultimate parent undertaking and fellow subsidiary companies, their full remuneration have been reflected in the disclosure above.

The Company had no employees throughout the year (2016: nil).

**5 TRADE AND OTHER RECEIVABLES**

	2017 £'000	2016 £'000
<b>Amounts receivable within one year</b>		
Amounts owed by group undertakings	-	3,504
	<u>-</u>	<u>3,504</u>

Amounts owed by group undertakings are unsecured, have no repayment terms and bear no interest. During the year the Company forgave Intercompany debt of £3,504k (2016: £nil).

**6 CALLED UP SHARE CAPITAL**

	2017 £'000	2016 £'000
<b>Allotted, called up and fully paid</b>		
1 (2016: 764,000) ordinary shares of £1 (2016: £1) each	-	764
	<u>-</u>	<u>764</u>

The voting rights of the holders of all ordinary shares are the same and all ordinary shares rank pari passu on a winding up.

**AUTOMOBILE ASSOCIATION PROTECTION AND INVESTMENT PLANNING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The Company is a wholly owned subsidiary of Automobile Association Developments Limited, a company registered in England and Wales. AA plc is the ultimate controlling party and the ultimate parent undertaking.

The parent of the smallest group to consolidate these financial statements is AA Intermediate Co Limited whose registered office is Fanum House, Basing View, Basingstoke, RG21 4EA. The ultimate parent undertaking and controlling party, which is also the parent of the largest group to consolidate these financial statements, is AA plc whose registered office is at Fanum House, Basing View, Basingstoke, RG21 4EA.

Copies of the consolidated AA plc financial statements are available from the website [www.theaapl.com/investors](http://www.theaapl.com/investors).