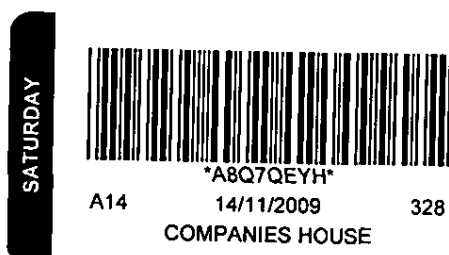


**AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2009**



***Registered number: 2413321***

# **AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2009**

The directors present their report and audited financial statements of Automobile Association Insurance Services Holdings Limited ("the Company") for the year ended 31 January 2009.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the Company is that of a holding company. The Company did not trade during the period.

Due to the nature of the Company, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend in respect of the year (period to 31 January 2008: £nil).

#### **DIRECTORS**

The directors of the Company during the year were as follows:

S M Howard  
A J P Strong

#### **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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 INSURANCE SERVICES HOLDINGS LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 JANUARY 2009**

**AUDITORS**

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

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each current Director has made enquiries of their fellow directors 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.

In preparing the Directors Report, the Company has chosen to use the exemptions from making full disclosure, as permitted by the special provisions of Part VII of the Companies Act 1985 relating to small entities

BY ORDER OF THE BOARD



J DAVIES  
COMPANY SECRETARY

1st October 2009

Registered Office  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

# **AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**

We have audited the financial statements (the "financial statements") of Automobile Association Insurance Services Holdings Limited for the year ended 31 January 2009 which comprise the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 31 January 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered auditor  
London

*Ernst & Young LLP*

2 October 2009

# AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED

## BALANCE SHEET AT 31 JANUARY 2009

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Investments in group undertakings	4	577	577
<b>CURRENT ASSETS</b>			
Debtors	5	131,401	131,401
<b>NET ASSETS</b>		<u>131,978</u>	<u>131,978</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	21,549	21,549
Share premium account	7	1,447	1,447
Capital reserve	7	105,000	105,000
Profit and loss account	7	3,982	3,982
<b>EQUITY SHAREHOLDERS' FUNDS</b>	8	<u>131,978</u>	<u>131,978</u>

The financial statements on pages 4 to 7 were approved by the board of directors on 2009 and were signed on its behalf by:



1/10/2009

S M HOWARD  
DIRECTOR

The notes on pages 5 to 7 form part of these financial statements.

# **AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and the Companies Act 1985. The principal accounting policies, which have been applied on a consistent basis with the prior period, are set out below.

The Company is exempt from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Acromas Holdings Ltd, whose consolidated financial statements are publicly available. These financial statements present information about the entity as an individual undertaking.

The profit and loss account has not been prepared as there have been no transactions in the current or prior financial years.

#### **Cash flow**

The Company's ultimate parent is Acromas Holdings Limited, whose consolidated financial statements are publicly available. The Company is a wholly owned subsidiary and is therefore exempt from the requirement to prepare a cash flow statement.

#### **Investments**

Investments are stated at cost, less accumulated provisions for any impairment.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods that are different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# **AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2 AUDITOR'S REMUNERATION**

The audit fee has been borne by another group company.

### **3 DIRECTORS' EMOLUMENTS**

S M Howard and A J P Strong are remunerated by Saga Group Limited, a fellow subsidiary of the ultimate parent undertaking, Acromas Holdings Limited. The emoluments of these Directors are not recharged to the Company and none of these Directors received any emoluments during the year in respect of their services as a Director of the Company.

The Company has no employees (2008: nil).

### **4 FIXED ASSET INVESTMENTS**

**£'000**

**Shares in group undertakings**

**Cost**

**At 31 January 2008 and at 31 January 2009**

**2,237**

**Provision**

**At 31 January 2008 and at 31 January 2009**

**(1,660)**

**Net book value**

**At 31 January 2008 and at 31 January 2009**

**577**

The Company owns 100% of the share capital of AA Financial Services Limited, a dormant company incorporated in England and Wales.

### **5 DEBTORS**

**2009  
£'000**

**2008  
£'000**

**Amounts owed by group undertakings**

**131,401**

**131,401**

Amounts owed by group undertakings are unsecured, have no repayment terms and bear no interest.

### **6 CALLED UP SHARE CAPITAL**

**2009  
£'000**

**2008  
£'000**

**Ordinary shares of £1 each**

**Authorised**

**30,000**

**30,000**

**Issued, called up and fully paid**

**21,549**

**21,549**

# AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 RESERVES

	Share Premium Account £'000	Capital Reserve £'000	Profit and Loss Account £'000
At 31 January 2008 and at 31 January 2009	<u>1,447</u>	<u>105,000</u>	<u>3,982</u>

### 8 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Result for the financial year	-	-
Opening shareholders' funds	<u>131,978</u>	<u>131,978</u>
Closing shareholders' funds	<u>131,978</u>	<u>131,978</u>

### 9 CROSS COMPANY GUARANTEES

The Company along with certain of its fellow subsidiaries acts as Obligor on bank loans made to Acromas Mid Co Limited. At 31 January 2009, the principal and accrued interest outstanding on these bank loans was £5,164.0 million (2008: £4,978.8 million).

### 10 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the Company is exempt from the requirement to disclose related party transactions with other Acromas Group undertakings under FRS 8.

There are no other related party transactions.

### 11 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Automobile Association Developments Limited, a company registered in England and Wales.

The ultimate parent undertaking, which is also the parent of the smallest and largest group to consolidate these financial statements, is Acromas Holdings Limited whose registered office is at Enbrook Park, Folkestone, Kent, CT20 3SE.

Copies of the financial statements of Acromas Holdings Limited are available from the Company Secretary at this address.