

AA CORPORATION LIMITED 3797747

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2012

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AA CORPORATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2012

The directors present their report and audited financial statements of AA Corporation Limited ("the Company") for the year ended 31 January 2012

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of AA Senior Co Limited

The principal activity of the Company is the management of support activities on behalf of the AA Group. These costs are subsequently recharged back to the AA Group subsidiaries. The Company has invested in strengthening AA group's position as a key player in its chosen markets.

The Company's key financial and other performance indicators during the year were as follows:

	2012 £'000	2011 £'000	Change %
Staff costs	(20,999)	(19,143)	10%
Depreciation of fixed assets	(6,385)	(4,801)	33%
Exceptional items	(605)	(2,921)	(79%)
Other operating charges	(11,952)	(14,623)	(18%)
Total expenses	(39,941)	(41,488)	(4%)
Interest	104	(66)	258%
Loss before taxation and recharges	(39,837)	(41,554)	(4%)
EBITDA before recharges	(33,556)	(36,687)	(9%)
Average number of employees	-	-	-

As shown in the Company's profit and loss on page 6, the Company's turnover decreased by 4% to £39.9m during the current year, whilst profit before taxation of the Company for the year was £nil (2011: £nil). After taxation, a loss of £0.1m (2011: £2.4m) has been transferred to reserves.

The balance sheet on page 7 of the financial statements shows the Company's financial position at year end. Net assets decreased to £1,102.9m (2011: £1,103.0m). Details of amounts owed to its parent company and fellow subsidiary undertakings are shown in note 14 to the financial statements.

For decision making and internal performance management, management's key performance metric is Earnings before interest, tax, depreciation and amortisation (EBITDA) before recharges. EBITDA before recharges decreased by 9% to £33.6m during the current year.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2011: £nil).

AA CORPORATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2012

DIRECTORS

The directors, who held office during the period, were as follows

J A Goodsell

S M Howard

A J P Strong

A K Boland

RISK MANAGEMENT FRAMEWORK

The business 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.

Risk information is formally reviewed on a quarterly basis and is a standard agenda item at each of the core business forums.

The principal risks have been grouped into the following categories:

Financial Risk

The Company is part of the Acromas Holdings Limited Group and its 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.

Brand Risk

The Company recognises that the AA brand is a key differentiator and source of competitive advantage, and brand image from low quality products or services could have an adverse impact on the Company. The Company has in place policies and procedures to protect the brand at all times.

The Company has put in place rigorous procedures and controls designed to prevent significant risks to the business occurring or to mitigate their effects if they should occur. These controls are monitored both by the Compliance and Internal Audit functions to ensure they are working effectively.

AA CORPORATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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

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.

GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the business review on pages 1 and 2.

The Company is reliant on other group companies to pay for recharged costs. The directors believe that the Company has considerable financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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 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.

AA CORPORATION LIMITED


DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2012

DISCLOSURE OF INFORMATION TO AUDITOR (continued)

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



A K BOLAND
DIRECTOR

10 SEPTEMBER 2012

Registered Office
Fanum House
Basing View
Basingstoke
Hampshire
RG21 4EA

Registered number 03797747

AA CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AA CORPORATION LIMITED

We have audited the financial statements of AA Corporation Limited for the year ended 31 January 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. 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).

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 set out on page 3, 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. 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.



James Lenton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

2012

3rd October

AA CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2012

	Notes	2012 £'000	2011 £'000
TURNOVER	2	39,837	41,554
ADMINISTRATIVE EXPENSES			
Administrative expenses		(39,336)	(38,567)
Exceptional items	4	(605)	(2,921)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	3	<u>(104)</u>	<u>66</u>
Interest receivable and similar income	7	193	4
Interest payable and similar charges	8	(89)	(70)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	9	(144)	(2,363)
LOSS FOR THE FINANCIAL YEAR	18	<u><u>(144)</u></u>	<u><u>(2,363)</u></u>

All income and expenditure arises from continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

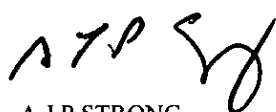
The notes on pages 8 to 16 form part of these financial statements

AA CORPORATION LIMITED

BALANCE SHEET AT 31 JANUARY 2012

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible fixed assets	11	19,569	21,195
Investment in group undertakings	12	<u>1,280,724</u>	<u>1,269,715</u>
		1,300,293	1,290,910
CURRENT ASSETS			
Debtors	13	156,263	34,238
CREDITORS (amounts falling due within one year)	14	(351,473)	(212,129)
NET CURRENT LIABILITIES		<u>(195,210)</u>	<u>(177,891)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,105,083	1,113,019
CREDITORS (amounts falling due after more than one year)	15	(2,232)	(9,931)
PROVISIONS FOR LIABILITIES	16	-	(93)
NET ASSETS		<u><u>1,102,851</u></u>	<u><u>1,102,995</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	1,100,011	1,100,011
Profit and loss account	18	<u>2,840</u>	<u>2,984</u>
SHAREHOLDERS' FUNDS	19	<u><u>1,102,851</u></u>	<u><u>1,102,995</u></u>

The financial statements on pages 6 to 16 were approved by the board of directors on 10 SEPTEMBER 2012 and were signed on its behalf by



A J P STRONG
DIRECTOR

Registered number 03797747

The notes on pages 8 to 16 form part of these financial statements

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in the Companies Act 2006 s 464

The financial statements are prepared on a going concern basis. A summary of the accounting policies which have been applied on a consistent basis with the prior year, is set out below

b) Cash flow statement

The directors have taken advantage of the exemption available under FRS 1 (Cash flow statements) of the requirement to prepare a cash flow statement as a consolidated cash flow statement has been presented in the financial statements of the ultimate parent undertaking Acromas Holdings Limited

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs less estimated residual value based on prices prevailing at date of acquisition of each asset evenly over its expected useful life as follows -

Equipment	3 - 5 years
Motor Vehicles	3 - 6 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

d) Investments

Investments are valued individually at the lower of cost less any provision for impairment or net realisable value. Income from investments is recognised in the profit and loss account when it is receivable

e) Leasing and hire purchase commitments

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

f) Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

Provisions for restructuring costs are recognised when the company has a detailed formal plan for the restructuring that has been communicated to affected parties

AA CORPORATION LIMITED

1 ACCOUNTING POLICIES (continued)

g) 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

2 TURNOVER

Turnover represents amounts receivable for services provided. Revenue is recognised at point of delivery of goods or on provision of service

Turnover originates in the UK and consists of the recharge of costs to other AA group companies. Turnover by destination is not materially different from turnover by origin

3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION

(Loss)/profit on ordinary activities before interest and taxation is stated after charging/(crediting)

	2012 £'000	2011 £'000
Staff costs recharged (see note 5)	20,999	19,143
Depreciation of tangible fixed assets (see note 11)		
- Owned assets	6,385	4,801
Other external charges	12,034	14,053
Loss on foreign exchange	(190)	484
Fees payable to auditors		
- Audit of the financial statements	12	12
Operating lease rentals		
- Motor vehicles	96	74
Exceptional items	605	2,921
	<u>39,941</u>	<u>41,488</u>

The Company's auditor provided no services to the Company other than the annual audit during either periods under review

Staff costs exclusively relate to those recharged from The Automobile Association Limited, a subsidiary company incorporated in Jersey

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 EXCEPTIONAL ITEMS

	2012	2011
	£'000	£ 000
Exceptional items	<u>605</u>	<u>2 921</u>

Exceptional items consist of costs relating to the reorganisation of the business

5 STAFF COSTS

Staff costs during the year were as follows	2012	2011
	£'000	£ 000
Wages and salaries	18,921	17 250
Social security costs	<u>2,078</u>	<u>1,893</u>
	<u>20,999</u>	<u>19 143</u>

Staff costs relate to those recharged from The Automobile Association Limited a subsidiary company incorporated in Jersey

6 DIRECTORS' EMOLUMENTS

J A Goodsell S M Howard, A J P Strong and A K Boland are remunerated by Saga Group Limited, a fellow subsidiary of the ultimate parent undertaking Acromas Holdings Limited. None of these directors received any emoluments during the year in respect of their services as directors of the Company (2011 £nil) and it would not be practicable to apportion their emoluments between their services as directors of the Company and their services as directors of other group companies. The Company has not been recharged any amount for the emoluments of these directors (2011 £nil).

7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£'000	£'000
Bank interest receivable	<u>193</u>	<u>4</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£'000	£'000
Other interest payable	<u>89</u>	<u>70</u>

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows	2012	2011
	£'000	£'000
Current Tax		
- Current tax on profit in the period	241	(843)
- Adjustment in respect of prior periods	140	228
Total current tax charge/(credit)	381	(615)
Deferred tax		
- Origination and reversal of timing differences	(163)	830
- Adjustments in respect of prior periods	(142)	2,089
- Effect of tax rate change on opening balance	68	59
Total deferred tax (credit)/charge	(237)	2,978
Total tax (credit)/charge on ordinary activities	144	2,363

The current tax credit represents receipts for group losses. The difference between the total current corporation tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2012	2011
	£'000	£'000
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.32% (2011: 28%)	-	-
Effects of		
Expenses not deductible for tax purposes	70	18
Adjustments to tax charge in respect of previous periods	140	228
(Accelerated)/Decelerated capital allowances	269	(222)
Other short term timing differences	(98)	(639)
Total current tax charge/(credit)	381	(615)

10 DEFERRED TAX

Deferred tax assets comprise

	2012	2011
	£'000	£'000
Timing differences on		
Decelerated capital allowances	633	384
Other short term timing differences	374	387
Deferred tax asset (see note 13)	1,007	771
		£'000
Deferred tax asset as at 1 February 2011		771
Credit to the profit and loss account		237
Deferred tax asset as at 31 January 2012		1,007

Legislation was introduced in Finance Act 2011 to reduce the main rate of corporation tax from 26% to 25% with effect from 1 April 2012. The effect of this reduction is reflected in the deferred tax asset recorded on the balance sheet. Since the balance sheet date, the UK government has substantively enacted new legislation to reduce the corporation tax rate further to 24% with effect from 1 April 2012 and announced its intent to legislate to reduce the rate further by 1% per annum to 22% with effect from 1 April 2014.

The directors estimate that the effect of these changes will reduce the Company's deferred tax asset by £103,000.

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 TANGIBLE FIXED ASSETS

	Equipment and motor vehicles £'000
Cost	
As at 1 February 2011	38,288
Additions	4,759
As at 31 January 2012	<u>43,047</u>
Depreciation	
As at 1 February 2011	17,093
Charge for the year	6,385
As at 31 January 2012	<u>23,478</u>
Net book value	
As at 31 January 2012	<u><u>19,569</u></u>
As at 31 January 2011	<u><u>21,195</u></u>

12 INVESTMENTS IN GROUP UNDERTAKINGS

Shares in subsidiary companies

	£'000
Cost and net book value	
As at 1 February 2011	1,269,715
Additions	11,009
As at 31 January 2012	<u><u>1,280,724</u></u>

During the year the Company purchased 100% interest of the ordinary share capital of Intelligent Data Systems (UK) Limited and increased its investment in AA Media

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

The principal undertakings at 31 January 2012 were as follows

Subsidiary undertakings	Country of incorporation or registration	% Holdings in ordinary shares	Principal activity
The Automobile Association Limited	Jersey	100	Roadside services
AA The Driving School Agency Limited	England	100	Franchise operation
Acromas Reinsurance Company Limited	Guernsey	100	Reinsurance underwriting
AA Underwriting Limited	England	100	Ceased trading
Automobile Association Developments Limited	England	100	Driving tuition
Automobile Association Holdings Limited	England	100	Holding company
Automobile Association Insurance Services Holdings Limited	England	100	Holding company
Automobile Association Insurance Services Limited	England	100	Roadside and insurance intermediation
Automobile Association Underwriting Services Limited	England	100	Roadside and insurance underwriting
AA Ireland Limited	Ireland	100	Roadside and insurance services
AA Ireland Pension Trustees Limited	Ireland	100	Pension Trustee
AA Financial Services Limited	England	100	Financial Services
Drakefield Holdings Limited	England	100	Holding company
Drakefield Insurance Services Limited	England	100	Insurance intermediation
AA Media Limited	England	100	Publishing and signage
DriveTech (UK) Limited	England	100	Driver training services
Driving Services (UK) Limited	England	100	Driver training services
Autowindshields (UK) Limited	England	100	Roadside Services
Intelligent Data Systems (UK) Limited	England	100	Driving licence verification services
<u>Associates</u>			
ARC Europe SA	Belgium	20	Roadside Services
A C T A SA	France	20	Roadside Services
A C T A Assistance SA	France	20	Roadside Services
A C T A Assurance SA	France	20	Roadside Services

All principal undertakings are indirectly held by the Company, with the exception of Automobile Association Developments Limited, Automobile Association Insurance Services Limited, AA Ireland Pensions Limited, AA Ireland Limited, The Automobile Association Limited, DriveTech (UK) Limited, AA Media Limited and Autowindshields (UK) Limited

The holding in Automobile Association Holdings Limited also includes 100% of the Company's special shares

The percentage voting rights are equal to the percentage holdings in ordinary shares. Dormant subsidiary undertakings whose results and financial position do not principally affect the Company's financial statements have been omitted

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 DEBTORS

	2012	2011
	£'000	£'000
Amounts receivable within one year		
Trade debtors	1,989	-
Amounts owed by group undertakings	149,813	31,187
Other debtors	391	137
Prepayments and accrued income	3,063	2,143
	<u>155,256</u>	<u>33,467</u>
Amounts receivable in more than one year		
Deferred tax asset (see note 10)	1,007	771
	<u>156,263</u>	<u>34,238</u>

Amounts owed by group undertakings were unsecured, had no repayment terms and bore no interest

14 CREDITORS (amounts falling due within one year)

	2012	2011
	£'000	£'000
Trade creditors	-	398
Corporation tax	242	-
Amounts owed to group undertakings	334,486	194,999
Other taxes and social security	676	391
Other creditors	8,601	5,403
Accruals and deferred income	7,468	10,938
	<u>351,473</u>	<u>212,129</u>

The amounts owed to group undertakings were unsecured, had no repayment terms and bore no interest

15 CREDITORS (amounts falling due after more than one year)

	2012	2011
	£'000	£'000
Deferred consideration	<u>2,232</u>	<u>9,931</u>

16 PROVISIONS FOR LIABILITIES

	Restructuring Provision £'000
As at 1 February 2011	93
Utilised in the period	<u>(93)</u>
As at 31 January 2012	<u>-</u>

The provision related to the restructuring of one of the Company's office and was utilised during the year

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 CALLED UP SHARE CAPITAL

	2012	2011
	£'000	£'000
Allotted, called up and fully paid		
1,100,010,982 ordinary shares of £1 each	<u>1,100,011</u>	<u>1,100,011</u>

18 PROFIT AND LOSS ACCOUNT

	2012	2011
	£'000	£'000
Opening balance	2,984	5,347
Loss for the financial year	(144)	(2,363)
Closing balance	<u>2,840</u>	<u>2,984</u>

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Opening shareholders' funds	1,102,995	1,105,358
Loss for the financial year	(144)	(2,363)
Closing shareholders' funds	<u>1,102,851</u>	<u>1,102,995</u>

20 GUARANTEES AND COMMITMENTS

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 the balance sheet date the principal, accrued interest, guarantees and other facilities outstanding on these bank loans was £5,098.2 million (2011 £5,034.7 million).

Operating leases

Annual commitments under non-cancellable operating leases are as follows

	Motor vehicles	
	2012	2011
	£'000	£'000
Operating leases which expire		
Within one year	35	45
In two to five years	72	29
	<u>107</u>	<u>74</u>

At the year end, the Company had capital commitments of £428,584 (2011 £497,410) and no capital expenditure authorised but not yet committed.

AA CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption within FRS 8 (Related Party Disclosures) in not disclosing transactions with other entities in the Acromas group of companies. Other transactions with related parties during the period comprised

Related Party	Type of Transaction	2012	2011
		£'000	£'000
J A Goodsell (Director)	Purchase of cars for private use	21	-

22 ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling party to be funds advised by Charterhouse General Partners, CVC Capital Partners and Permira Advisers acting in concert

23 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of AA Senior Co 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