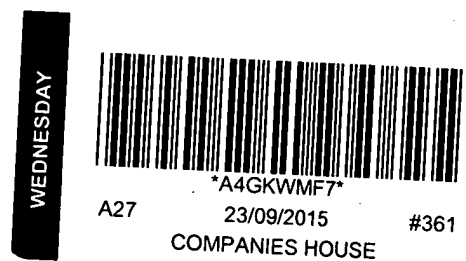


AA MID CO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015



Registered number: 05088289

AA MID CO LIMITED

FOR THE YEAR ENDED 31 JANUARY 2015

STRATEGIC REPORT

The directors present their report and audited financial statements of AA Mid Co Limited ("the Company") for the year ended 31 January 2015.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of AA plc.

The principal activity of the Company is that of a holding company.

As shown in the Company's profit and loss on page 5, interest payable during the year decreased to £nil (2014: £16.7m), as the subordinated preference certificates were fully redeemed in the prior year.

As part of the AA plc group refinancing in the prior year, the Company received dividends from subsidiary undertakings of £1,227.1m and paid a dividend of £3,947.5m.

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.

The principal risks have been grouped into the following categories:

Financial Risk

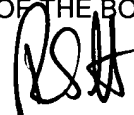
The Company is part of the AA plc Group and its financial risks are managed centrally by the Group Treasury team taking into account the Company's position as part of the group with due consideration being given to the impact of transactions with other group entities.

Brand Risk

The Company recognises that the AA brand is a key differentiator and source of competitive advantage, and brand damage 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 business 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.

BY ORDER OF THE BOARD



R J H SCOTT
DIRECTOR

3 September 2015

AA MID CO LIMITED
FOR THE YEAR ENDED 31 JANUARY 2015

DIRECTORS' REPORT

DIRECTORS

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

A K Boland	Resigned 19 December 2014
M A Clarke	Appointed 16 December 2014
C T P Jansen	Resigned 31 August 2014
R J H Scott	Appointed 17 September 2014
B Mackenzie	Appointed 1 July 2015
M Millar	Appointed 1 July 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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.

AA MID CO LIMITED

FOR THE YEAR ENDED 31 JANUARY 2015

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. 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 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.

POST BALANCE SHEET EVENTS

On 25 March 2015, a subsidiary undertaking repaid £97m of the Senior Term facility debt and repaid a further £112m on 30 April 2015. On 13 April 2015, a subsidiary undertaking issued £735m of new Class B2 notes. The proceeds of this issue were used to repay all of the existing £655m 9.5% Class B notes held by a subsidiary undertaking on 31 July 2015. The result of the above is a decrease in the Cross Company Guarantee (see note 11) of £129m.

Subsequent to the year end, AA Corporation Limited, a subsidiary undertaking of the Company, has exchanged contracts for the disposal of Autowindshields (UK) Limited, also a subsidiary undertaking of the Company.

BY ORDER OF THE BOARD



R J H SCOTT
DIRECTOR

3 September 2015

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

AA MID CO LIMITED

FOR THE YEAR ENDED 31 JANUARY 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AA MID CO LIMITED

We have audited the financial statements of AA Mid Co Limited for the year ended 31 January 2015 which comprise the Profit and Loss Account, the statement of total recognised gains and losses, the Balance Sheet and the related notes 1 to 15. 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 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. 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 2015 and of its result 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 Strategic Report and 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.

Ernst & Young LLP

John Headley (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

3 September 2015

AA MID CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2015

	Notes	2015 £m	2014 £m
Income from subsidiary undertakings		-	1,227.1
Interest payable and similar charges		-	(16.7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	1,210.4
Tax on profit on ordinary activities	4	-	3.9
PROFIT FOR THE FINANCIAL YEAR		-	1,214.3

All income and expenditure arises from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

AA MID CO LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JANUARY 2015

	2015 £m	2014 £m
PROFIT FOR THE FINANCIAL YEAR	-	1,214.3
Revaluation of investment in subsidiary undertaking	360.0	551.7
Write-off of intercompany balance due to subsidiary undertaking	-	(1.7)
Impairment of investment in subsidiary undertaking	-	(1,141.7)
TOTAL GAINS AND LOSSES RECOGNISED IN THE YEAR	<u>360.0</u>	<u>622.6</u>

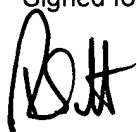
The notes on pages 8 to 13 form part of these financial statements.

AA MID CO LIMITED

BALANCE SHEET AT 31 JANUARY 2015

	Notes	2015 £m	2014 £m
FIXED ASSETS			
Investments in group undertakings	5	3,000.0	2,640.0
CURRENT ASSETS			
Debtors	6	<u>1,777.8</u>	<u>1,777.8</u>
		1,778.8	1,777.8
Creditors (amounts falling due within one year)	7	<u>(2,982.6)</u>	<u>(2,982.6)</u>
NET CURRENT LIABILITIES		<u>(1,204.8)</u>	<u>(1,204.8)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,795.2	1,435.2
NET ASSETS		<u>1,795.2</u>	<u>1,435.2</u>
CAPITAL AND RESERVES			
Called up share capital	8	20.9	20.9
Profit and loss account	9	864.3	864.3
Revaluation reserve	9	910.0	550.0
SHAREHOLDER'S FUNDS		<u>1,795.2</u>	<u>1,435.2</u>

Signed for and on behalf of the board by



R J H SCOTT
DIRECTOR

3 September 2015

The notes on pages 8 to 13 form part of these financial statements.

AA MID CO 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.

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

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 parent undertaking, AA plc.

c) Investments

Investments are held at fair value based on directors' valuations and any gain on revaluation is taken to reserves.

Income from investments is recognised in the profit and loss account when it is receivable.

d) 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.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2015 £m	2014 £m
Unwinding of discount on subordinated preference certificates (see note 8)	-	16.7

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

Audit fees of £10,000 (2014: £10,000) were borne by another group company.

AA MID CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 DIRECTORS' EMOLUMENTS

	2015 £m	2014 £m
Aggregate remuneration in respect of qualifying services	0.9	3.8
Money purchase scheme contributions	0.1	-
Compensation for loss of office	0.9	-
	<u>1.9</u>	<u>3.8</u>

The amounts paid in respect of the highest paid director were as follows:

Remuneration	<u>1.0</u>	<u>2.3</u>
--------------	------------	------------

The directors are remunerated by another company that is part of the AA plc group. None of these directors received any emoluments during the year in respect of their services as a director of the Company (2014: £nil). The Company has not been recharged any amount for the emoluments of these directors (2014: £nil).

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	2015 £m	2014 £m
Current tax:		
- Current tax on (loss) / profit for the financial year	-	(3.9)
Total current tax credit	<u>-</u>	<u>(3.9)</u>

The current tax represents payments received 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:

	2015 £m	2014 £m
(Loss) / profit on ordinary activities before tax	<u>-</u>	<u>1,210.4</u>
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.32% (2014: 23.16%)	-	280.3
Effects of:		
Income not taxable for tax purposes	-	(284.2)
Total current tax credit	<u>-</u>	<u>(3.9)</u>

AA MID CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 INVESTMENTS IN GROUP UNDERTAKINGS

	£m
At 1 February 2014	2,640.0
Revaluation	360.0
At 31 January 2015	3,000.0

The related undertakings at 31 January 2015, all of which are wholly owned except where stated, were as follows:

Subsidiary undertakings	Country of incorporation or registration	% holding of ordinary shares	Principal activity
AA Intermediate Co Limited	England	100	Financing company
AA Acquisition Co Limited	England	100	Financing company
AA Senior Co Limited	England	100	Financing company
The Automobile Association Limited	Jersey	100	Roadside services
AA Bond Co Limited	Jersey	100	Financing company
AA The Driving School Agency Limited	England	100	Franchise operation
Automobile Association Developments Limited	England	100	Roadside services
AA Corporation Limited	England	100	Holding company
Peak Performance Management Limited	England	100	Driving risk management solutions
Automobile Association Insurance Services Limited	England	100	Roadside and insurance intermediation
Automobile Association Underwriting Services Limited	England	100	Roadside and insurance underwriting
Automobile Association Holdings Limited	England	100	Holding company
AA Underwriting Limited	England	100	Insurance underwriting
AA Ireland Limited	Ireland	100	Roadside and insurance services
Breakdown Assistance Services Limited	Ireland	100	Roadside services
AA Ireland Pension Trustees Limited	Ireland	100	Pension administration
A.A Pensions Trustees Limited	England	100	Pension administration
Intelligent Data Systems (UK) Limited	England	100	Driver verification services
Automobile Association Insurance Services Holdings Limited	England	100	Holding company
AA Financial Services Limited	England	100	Financial services
AA Media Limited	England	100	Publishing and signage
DriveTech (UK) Limited	England	100	Driver training services
Autowindshields (UK) Limited	England	100	Roadside services
AA Technical Solutions Limited	England	100	Insurance advisory services
AA The Driving School Agency Limited	England	100	Roadside services
AA Pension Funding LP	Scotland	100	¹
AA Pension Funding GP Limited	Scotland	100	¹
AA Brand Management Limited	England	100	¹
Automobile Association Protection and Investment Planning Limited	England	100	Dormant
Personal Insurance Mortgages and Savings Limited	England	100	Dormant

AA MID CO LIMITED

5 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

	Country of incorporation or registration	% holding of ordinary shares	Principal activity
Subsidiary undertakings			
1Stop Travel Insurance Services Limited	England	100	Dormant
AA Insurance Services Limited	England	100	Dormant
AA Assistance Limited	England	100	Dormant
AA Legal Services Limited	England	100	Dormant
AA Parking Solutions Limited	England	100	Dormant
AA Road Services Limited	England	100	Dormant
AA Signs Limited	England	²	Dormant
AA Services Limited	England	²	Dormant
Automobile Association Commercial Services Limited	England	100	Dormant
Automobile Association Services Limited	England	²	Dormant
Automobile Association Travel Services Limited	England	100	Dormant
Drive Publications Limited	England	100	Dormant
Drivtech Advantage Agency Limited	England	100	Dormant
Driving Services UK Limited	England	100	Dormant
E Travel Insurance Services Limited	England	100	Dormant
Fanum Services Limited	England	100	Dormant
Go Insurance Services Limited	England	100	Dormant
Go Travel Insurance Services Limited	England	100	Dormant
Nationwide 4x4 Limited	England	100	Dormant
Quotebanana Limited	England	100	Dormant
Tourist Accommodation Management Services Limited	Ireland	100	Dormant
The British School of Motoring Limited	England	100	Dormant
Associates			
ARC Europe SA	Belgium	20	Roadside services
A.C.T.A. Assistance SA	France	22	Roadside services
A.C.T.A. Assurance SA	France	23	Roadside services
Joint ventures			
AA Law Limited	England	49	Insurance services

¹ These companies are part of an asset backed funding scheme. For more details, please see note 25 of the AA plc group accounts.

² Company limited by guarantee.

All principal undertakings are indirectly held by the Company, except for AA Intermediate Co Limited, which is a direct subsidiary undertaking.

AA MID CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 DEBTORS

	2015 £m	2014 £m
Amounts receivable within one year		
Amounts owed by subsidiary undertakings	<u>1,777.8</u>	<u>1,777.8</u>

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

7 CREDITORS (amounts falling due within one year)

	2015 £m	2014 £m
Amounts owed to subsidiary undertakings	<u>2,982.6</u>	<u>2,982.6</u>

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

8 CALLED UP SHARE CAPITAL

	2015 £m	2014 £m
Allotted, called up and fully paid		
2,090,547,948 ordinary shares of £0.01 each	<u>20.9</u>	<u>20.9</u>

In the prior year, the Company issued 2,069,999,998 shares with a nominal value of £1 by reducing the value of the revaluation reserve by £2,070.0m. Immediately following this issue, the Company undertook a Capital Reduction whereby the nominal value of each ordinary share was reduced by £0.99 to £0.01. This resulted in a gain in the profit and loss account in the prior year of £2,069.6m.

The Company has 2,090,547,948 authorised shares of £0.01 each.

AA MID CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 RESERVES

	Revaluation reserve £m	Profit and loss account £m	Total £m
At 1 February 2014	550.0	864.3	1,424.3
Revaluation of investment in subsidiary undertaking	360.0	-	-
At 31 January 2015	910.0	864.3	1,424.3

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2015 £m	2014 £m
Opening balance	1,435.2	3,118.6
Profit for the financial year	-	1,214.3
Capital contribution	-	1,641.5
Revaluation of investment in subsidiary undertaking	360.0	551.7
Write-off of intercompany balance due to subsidiary undertaking	-	(1.7)
Impairment of investment in subsidiary undertaking	-	(1,141.7)
Dividends paid	-	(3,947.5)
Closing balance	1,795.2	1,435.2

11 GUARANTEES AND COMMITMENTS

As a part of the refinancing which took place in the prior year, the Company along with certain of its fellow subsidiaries across the AA plc group were released from their obligations on the bank loans made to Acromas Mid Co Limited. A number of the Company's subsidiary undertakings then became a guarantor to the bank loans and bond debt of the AA Intermediate Co Limited group. At 31 January 2015, the principal outstanding on the AA Intermediate Co Limited group debt was £3,043.0m (2014: £3,043.0m).

12 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 AA plc group of companies. There are no other related party transactions.

AA MID CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of AA plc, a company registered in England and Wales.

The parent of the smallest group to consolidate these financial statements is AA plc whose registered office is Fanum House, Basing View, Basingstoke, RG21 4EA.

The ultimate parent undertaking, 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 parent financial statements are available from the Company Secretary at the relevant registered office address.

14 ULTIMATE CONTROLLING PARTY

AA plc is the ultimate controlling party and parent undertaking.

15 POST BALANCE SHEET EVENTS

On 25 March 2015, a subsidiary undertaking repaid £97m of the Senior Term facility debt and repaid a further £112m on 30 April 2015. On 13 April 2015, a subsidiary undertaking issued £735m of new Class B2 notes. The proceeds of this issue were used to repay all of the existing £655m 9.5% Class B notes held by a subsidiary undertaking on 31 July 2015. The result of the above is a decrease in the Cross Company Guarantee of £129m.

Subsequent to the year end, AA Corporation Limited, a subsidiary undertaking of the Company, has exchanged contracts for the disposal of Autowindshields (UK) Limited, also a subsidiary undertaking of the Company.