

**AA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2009**



Registered number: 5149111

**AA LIMITED**  
**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2009**

The directors present their report and audited financial statements of AA Limited ("the Company") for the year ended 31 January 2009.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the Company during the year was that of a holding company.

Due to the inactive 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.

**RESULTS AND DIVIDENDS**

The profit and loss account for the year is set out on page 4. The loss before taxation of the Company for the year to 31 January 2009 was £8,000 (13 months to 31 January 2008: £17,000 profit). The directors do not recommend the payment of a dividend for the year (13 months to 31 January 2008: £nil). The loss for the year was transferred to reserves.

**DIRECTORS**

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

J A Goodsell  
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 year. 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.

**AA LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 JANUARY 2009**

**APPOINTMENT OF 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

*John Davies*

J DAVIES

COMPANY SECRETARY

*6th November* 2009

Registered Office:

Fanum House

Basing View, Basingstoke

Hampshire, RG21 4EA

## AA LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AA LIMITED

We have audited the financial statements (the "financial statements") of AA Limited for the year ended 31 January 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. 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 within the Directors' report.

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 and of the Company's loss for the year then ended;
- 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

9 November 2009

*Ernst & Young LLP*

**AA LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JANUARY 2009**

	Notes	Year to 31.1.09 £'000	13 Months to 31.1.08 £'000
Operating expenditure		(8)	(39)
<b>OPERATING LOSS</b>	3	<u>(8)</u>	<u>(39)</u>
Interest receivable and similar income	4	-	56
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(8)</u>	<u>17</u>
Taxation on loss / (profit) on ordinary activities	5	(7)	(8)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR / PERIOD</b>	10	<u><u>(15)</u></u>	<u><u>9</u></u>

(Loss) / profit on ordinary activities before taxation for the year ended 31 January 2009 and period ended 31 January 2008 relates to continuing operations.

The Company has no recognised gains or losses other than the results for the financial periods reported above and, therefore, no separate statement of total recognised gains and losses is presented.

The notes on pages 6 to 11 form part of these financial statements

# AA LIMITED

## BALANCE SHEET AT 31 JANUARY 2009

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Investments in group undertakings	6	20,548	20,548
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due after more than one year)	7	1,641,610	1,641,602
<b>NET CURRENT ASSETS</b>		<u>1,641,610</u>	<u>1,641,602</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,662,158</u>	<u>1,662,150</u>
<b>CREDITORS</b> (amounts falling due after more than one year)	8	(1,661,196)	(1,661,173)
<b>NET ASSETS</b>		<u><u>962</u></u>	<u><u>977</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	202	202
Share premium	10	849	849
Profit and loss account	10	(89)	(74)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u><u>962</u></u>	<u><u>977</u></u>

The financial statements on pages 4 to 11 were approved by the board of directors on 2009 and were signed on its behalf by:

6<sup>th</sup> November 2009



S M HOWARD  
DIRECTOR

The notes on pages 6 to 11 form part of these financial statements

## **AA LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 ACCOUNTING POLICIES**

##### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in Companies Act 1985 s.256. 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 Acromas Holdings Ltd, whose consolidated financial statements are publicly available. These financial statements present information about the entity as an individual undertaking.

##### **Cash flow statement**

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 valued individually at the lower of cost or net realisable value. Income from investments is included on an accruals basis.

##### **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 DIRECTORS' EMOLUMENTS**

J A Goodsell, 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).

# AA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 OPERATING LOSS

Fees payable to the Company's auditor for the audit of the annual financial statements were £8,000 (2008: £8,000). The Company's auditor provided no services other than the annual audit during either of the periods under review.

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31.1.09 £'000	13 Months to 31.1.08 £'000
Interest receivable from group undertakings	<u>-</u>	<u>56</u>

### 5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	Year to 31.1.09 £'000	13 Months to 31.1.08 £'000
<b>Current Tax:</b>		
- Group relief (receivable) / payable	(2)	5
- Adjustments in respect of prior periods	<u>9</u>	<u>3</u>
<b>Total current tax charge</b>	<u>7</u>	<u>8</u>

The current tax charge represents payments for group losses.

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year to 31.1.09 £'000	13 Months to 31.1.08 £'000
(Loss) / profit on ordinary activities before tax	<u>(8)</u>	<u>17</u>
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.33% (2008: 30%)	(2)	5
Effects of:		
Adjustments to tax charge in respect of previous years	9	3
<b>Total current tax charge</b>	<u>7</u>	<u>8</u>

### 6 INVESTMENTS IN GROUP UNDERTAKINGS

Shares in subsidiary undertakings

	£'000
As at 31 January 2008 and at 31 January 2009	<u>20,548</u>



# AA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

The principal undertakings at 31 January 2009 were as follows:

Subsidiary undertakings	Country of incorporation or registration	% holdings in ordinary shares	Principal activity
AA SPC Co Limited	England	100	Financing company
AA Junior Mezzanine 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 The Driving School Agency Limited	England	100	Franchise operation
Acromas Reinsurance Company Limited	Guernsey	100	Insurance services
AA Underwriting Limited	England	100	Ceased trading
Automobile Association Developments Limited	England	100	Roadside services
AA Road Services Limited	England	100	Ceased trading
AA Corporation Limited	England	100	Holding company
Automobile Association Holdings Limited (3)	England	100	Holding company
Automobile Association Insurance Services Holdings Limited	England	100	Holding company
Automobile Association Insurance Services Limited	England	100	Roadside and financial services
Automobile Association Protection and Investment Planning Limited	England	100	Ceased trading
Automobile Association Underwriting Services Limited	England	100	Roadside and financial services
AA Ireland Limited	Ireland	100	Roadside and financial
AA Assistance Limited	England	100	Ceased trading
Taylor Price Insurance Services Limited	England	100	Insurance services
Premium Funding Limited	England	100	Insurance services
AA Ireland Pension Trustees Limited	Ireland	100	Pension Trust
Drakefield Holdings Limited	England	86.6	Holding company
Drakefield Group Limited	England	86.6	Insurance services
Drakefield Services Limited	England	86.6	Insurance services
Drakefield Insurance Services Limited	England	86.6	Insurance services
Fanum Guernsey Limited	Guernsey	100	Investment

# AA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

#### Joint Ventures

Automobile Association Personal Finance	England	50	Financial Services
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AA Financial Services (2)	England	N/A	Financial Services
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#### Associates

ARC Transistance SA	Belgium	20	Roadside Services
A.C.T.A. SA	France	20	Roadside Services
A.C.T.A. Assistance SA	France	20	Roadside Services

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

(2) AA Financial Services is an unincorporated entity in which there is a 50% interest. Its principal place of business is Capital House, Queen's Park Road, Handbridge, Chester, CH88 3AN.

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

(4) The percentage voting rights are the same as the percentage holdings in ordinary shares.

(5) Dormant subsidiary undertakings whose results and financial position do not principally affect the Company's financial statements have been omitted.

### 7 DEBTORS

	2009 £'000	2008 £'000
Amounts owed by group undertakings	1,641,459	1,641,451
Other debtors	151	151
	<u>1,641,610</u>	<u>1,641,602</u>

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

# AA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8 CREDITORS (amounts falling due more than one year)

	2009	2008
	£'000	£'000
Amounts owed to group undertakings	<u>1,661,196</u>	<u>1,661,173</u>

The amounts owed to the group undertakings have no repayment terms and bear no interest.

### 9 CALLED UP SHARE CAPITAL

	2009	2008
	£	£
<b>Authorised</b>		
1,000,000 'A' ordinary shares of £0.10 each	100,000	100,000
1,047,120 'B' ordinary shares of £0.10 each	<u>104,712</u>	<u>104,712</u>
	<u>204,712</u>	<u>204,712</u>
<b>Allotted called up and fully paid:</b>		
1,000,000 'A' ordinary shares of £0.10 each	100,000	100,000
1,015,344 'B' ordinary shares of £0.10 each	<u>101,534</u>	<u>101,534</u>
	<u>201,534</u>	<u>201,534</u>

During the prior year 15,344 'B' Ordinary shares with a nominal value of £0.10 each were issued at par. This nominal value remained outstanding as at 31 January 2009 and is included in note 8 above.

### 10 RESERVES

	Share premium	Profit and loss
	£'000	£'000
At 31 January 2008	849	(74)
Loss for the financial year / period	-	(15)
<b>At 31 January 2009</b>	<u>849</u>	<u>(89)</u>

### 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2009	2008
	£'000	£'000
(Loss) / profit for the financial year / period	(15)	9
Share issue	-	2
<b>Net (reduction) / addition to shareholder's funds</b>	<u>(15)</u>	<u>11</u>
Opening shareholder's funds	977	966
<b>Closing shareholder's funds</b>	<u>962</u>	<u>977</u>

## **AA LIMITED**

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

#### **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 Acromas group of companies. There are no other related party transactions.

#### **13 CROSS COMPANIES 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 £5,164.0 million (2008: £4,978.8 million).

#### **14 ULTIMATE PARENT UNDERTAKING**

The Company is a wholly owned subsidiary of Acromas Bid 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.