

Registered number: 08160101

AA LAW LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MAY 2014

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COMPANIES HOUSE

AA LAW LIMITED

COMPANY INFORMATION

Directors	G A Banbury (appointed 14 November 2013) S N J Mahesan J K Sangha (appointed 14 November 2013) L P Twiselton (appointed 23 October 2013) M F Millar (appointed 11 December 2014) J Connor (appointed 24 November 2014) M Hammond (appointed 24 November 2014) R Scott (appointed 17 February 2015)
Registered number	08160101
Registered office	Victoria House 51 Victoria Street Bristol BS1 6AD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 31 Great George Street Bristol BS1 5QD
Bankers	Lloyds Bank Plc Bailey Drive Gillingham Business Park Kent ME8 0LS

AA LAW LIMITED

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AA LAW LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2014

The directors present their annual report and the unaudited financial statements for AA Law Limited ("the company") for the year ended 31 May 2014.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

G A Banbury (appointed 14 November 2013)
A K Boland (appointed 14 November 2013 & resigned 21 November 2014)
S D G Douglas (appointed 4 February 2014 & resigned 1 September 2014)
S N J Mahesan
J K Sangha (appointed 14 November 2013)
L P Twiselton (appointed 23 October 2013)
S Mahmood (appointed 14 November 2013 & resigned 31 May 2014)
J M Pell (resigned 31 May 2014)
P A Revell (resigned 23 October 2013)
A J P Strong (appointed 14 November 2013 & resigned 4 February 2014)
M F Millar (appointed 11 December 2014)
J Connor (appointed 24 November 2014)
M Hammond (appointed 24 November 2014)
R Scott (appointed 17 February 2015)

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' responsibilities statement

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 prepared 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 of 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;
- 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 LAW LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2014**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

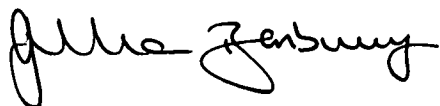
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *26 February 2015* and signed on its behalf by:



G A Banbury
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AA LAW LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by AA Law Limited, comprise:

- the Profit and Loss Account for the year ended 31 May 2014;
- the Balance Sheet as at 31 May 2014;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). 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 Directors' Report and financial statements (the "Annual Report") 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.

Opinions on matters 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AA LAW LIMITED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Colin Bates (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 27 February 2015

AA LAW LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	1,939,586	-
Cost of sales		(905,245)	-
GROSS PROFIT		1,034,341	-
Administrative expenses		(421,810)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		612,531	-
Tax on profit/result on ordinary activities	5	(137,558)	-
PROFIT FOR THE FINANCIAL YEAR	9	474,973	-

There are no material differences between the profit/result on ordinary activities before taxation and the profit/result for the financial period stated above and their historical cost equivalents.

The notes on pages 7 to 9 form part of these financial statements.

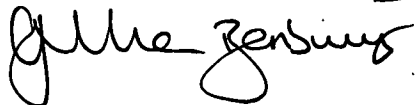
AA LAW LIMITED
REGISTERED NUMBER: 08160101

**BALANCE SHEET
AS AT 31 MAY 2014**

	Note	£	2014 £	£	2013 £
CURRENT ASSETS					
Debtors	6	1,048,285		-	
Cash at bank and in hand		444,989		1	
		<u>1,493,274</u>		<u>1</u>	
CREDITORS: amounts falling due within one year					
	7	(1,018,201)		-	
NET CURRENT ASSETS			<u>475,073</u>		<u>1</u>
NET ASSETS			<u>475,073</u>		<u>1</u>
CAPITAL AND RESERVES					
Called up share capital	8		100		1
Profit and loss account	9		474,973		-
TOTAL SHAREHOLDERS' FUNDS			<u>475,073</u>		<u>1</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 9 were approved and authorised for issue by the board and were signed on its behalf on *20 february 2015* by:



G A Banbury
Director

The notes on pages 7 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Turnover

Turnover comprises amounts chargeable to clients for professional services provided during the period, exclusive of Value Added Tax. Turnover is recognised according to the stage of progression of cases.

1.3 Accrued income

Where liability has been admitted by the other side insurer, turnover is recognised on the relevant portfolio of cases at the amount estimated to be recoverable by reference to hours incurred and average rates of recovery. Prior to liability having been admitted by the other side insurer, turnover is recognised on the relevant portfolio of cases at the lower of the amount estimated to be recoverable across the portfolio and the cost of work performed.

1.4 Current and deferred taxation

Current 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.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. PROFIT

During the year, no director received any emoluments (2013 - £NIL).

AA LAW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014**

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	5,000	-
Fees payable to the company's auditor and its associates in respect of: All other services	6,200	-
	<u>6,200</u>	<u>-</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
UK corporation tax charge on profit for the year	137,558	-
	<u>137,558</u>	<u>-</u>

6. DEBTORS

	2014 £	2013 £
Trade debtors	152,472	-
Unbilled disbursements	119,695	-
Other debtors	84,729	-
Prepayments and accrued income	691,389	-
	<u>1,048,285</u>	<u>-</u>

**7. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	115,904	-
Amounts owed to related parties (note 10)	643,803	-
Corporation tax	137,558	-
Other creditors and accruals	120,936	-
	<u>1,018,201</u>	<u>-</u>

The amounts owed to the related party are unsecured, interest free and have no set repayment dates.

AA LAW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

8. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
1 (2013 - 1) Ordinary share of £1 (2013 - £1)	-	1
49 (2013 - £Nil) A Ordinary shares of £1 (2013 - £Nil) each	49	-
51 (2013 - £Nil) B Ordinary shares of £1 (2013 - £Nil) each	51	-
	<hr/>	<hr/>
	100	1
	<hr/>	<hr/>

On 14 November 2013 the company issued 49 A Ordinary shares of £1 each and 50 B Ordinary shares of £1 each at par. On the same date the 1 Ordinary share was designated as a B Ordinary share of £1 each. The A and B shares are fully voting, have the right to participate in dividends and any return of capital at the discretion of the directors, and they are not redeemable.

9. RESERVES

	Profit and loss account £
Profit for the year	474,973
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At 31 May 2014	474,973
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10. RELATED PARTY TRANSACTIONS

Automobile Association Insurance Services Limited is a related party due to its joint venture shareholding in the company. During the year Automobile Association Insurance Services Limited referred to the company all of the personal injury cases that the company has worked on in the year (2013: None), from which all of the turnover and accrued income in the company has arisen. No amount is due by the company to Automobile Association Insurance Services Limited at 31 May 2014 (2013: £Nil). During the year CHMC Limited (a sister company of Automobile Association Insurance Services Limited) charged the company £347,500 (2013: £Nil) for management services for setting up the company. £417,000 was due by the company to CHMC Limited at 31 May 2014 (2013: £Nil) in relation to this charge.

Lyons Davidson Limited is a related party due to its joint venture shareholding in the company. During the year Lyons Davidson Limited charged the company £804,375 (2013: £Nil) for management and other services. £226,803 was due by the company to Lyons Davidson Limited at 31 May 2014 (2013: £Nil) in relation to this charge.

11. CONTROLLING PARTY

As the company is jointly owned by Automobile Association Insurance Services Limited and Lyons Davidson Limited there is not considered to be a single controlling party.