

**AA FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**



*Registered number: 912211*

**AA FINANCIAL SERVICES LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2004.

**REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The company did not trade in the year and has been dormant, as defined in section 249AA of the Companies Act 1985, throughout the year.

**DIRECTORS**

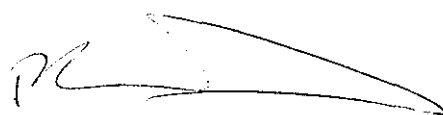
The directors who served during the year were as follows:

Centrica Directors Limited	- appointed 28 January 2003, resigned 30 September 2004
Centrica Secretaries Limited	- appointed 28 January 2003, resigned 30 September 2004
Trevor Chinn	- appointed 30 September 2004, resigned 18 January 2005
Timothy Parker	- appointed 30 September 2004
Paul Woolf	- appointed 18 January 2005

At no time did any director, holding office at 31 December 2004, have any interest in the shares of the Company, or any other Company within the AA Top Co Limited group, except for interests in the shares of the ultimate parent Company, AA Top Co Limited.

Details of the interests of those directors in the shares in the ultimate parent company, AA Top Co Limited, are shown in that company's financial statements for 2004.

**BY ORDER OF THE BOARD**



PAUL WOOLF  
DIRECTOR

*29<sup>th</sup> September* 2005

Registered Office:  
Southwood East  
Apollo Rise  
Farnborough  
Hampshire  
GU14 0JW

**AA FINANCIAL SERVICES LIMITED**  
**BALANCE SHEET AT 31 DECEMBER 2004**


	Notes	2004 £'000	2003 £'000
<b>CURRENT ASSETS</b>			
Debtors	2	578	578
<b>NET ASSETS</b>		<u>578</u>	<u>578</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	2,000	2,000
Profit and loss account		<u>(1,422)</u>	<u>(1,422)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>578</u>	<u>578</u>

The company did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss.

The annual financial statements have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies, and, its members have not required the company to obtain an audit of these financial statements in accordance with section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing financial statements that give a true and fair view of the state of the company's affairs as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

The financial statements on pages 2 to 4 were approved by the board of directors on 29<sup>th</sup> September 2005 and were signed on its behalf by:



**PAUL WOOLF**  
**DIRECTOR**

The notes on pages 3 to 4 form an integral part of these financial statements.

## **AA FINANCIAL SERVICES LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **1 ACCOUNTING POLICIES**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention and the Companies Act 1985.

A summary of accounting policies is set out below.

##### **Profit and loss account**

The profit and loss account has not been prepared as the Company is a non-trading holding company. A fellow group company meets all of the expenses of the Company. The directors receive no remuneration in respect of their services to the Company. The Company has no employees.

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

The Company is a wholly owned subsidiary of AA Top Co Limited, whose consolidated financial statements are publicly available. The Company is, therefore, exempt from the requirement to prepare a cash flow statement under FRS 1 (Revised).

##### **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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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.

# AA FINANCIAL SERVICES LIMITED

## NOTES TO THE ACCOUNTS (continued)

### 2 DEBTORS

	2004	2003
	£'000	£'000
Amounts owed by group undertakings	578	578
	<u>578</u>	<u>578</u>

### 3 CALLED UP SHARE CAPITAL

	2004	2003
	£'000	£'000
Ordinary shares of £1 each - authorised	3,000	3,000
	<u>3,000</u>	<u>3,000</u>
Issued, called up and fully paid	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

### 4 ULTIMATE OWNERSHIP

The Company is a wholly owned subsidiary of Automobile Association Insurance Services Holdings 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 AA Top Co Limited whose registered office is at Southwood East, Apollo rise, Farnborough, Hampshire, GU14 0JW.

Copies of the financial statements of AA Top Co Limited are available from the Company Secretary at this address.