

***AUTOMOBILE ASSOCIATION
UNDERWRITING SERVICES LIMITED
ACCOUNTS - 31 DECEMBER 1998***



AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1998

- 1 The directors present the audited financial statements for the year ended 31 December 1998.

- 2 **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The company's profit and loss account for the year is set out on pages 6 and 7.

The principal activity of the company is to transact classes 16 to 18 of 'General Insurance' as defined by Section 1 of the Insurance Companies Act 1982. An analysis of the results of company's classes of business is shown in Note 2 to the accounts.

Both the level of business and year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

- 3 **DIVIDENDS**

The directors recommend the payment of a final dividend of £1.40 per share amounting to £3,500,000 in respect of the year, (1997 £nil).

- 4 **DIRECTORS**

The following are directors of the company, all of whom have been directors for the whole of the year, except where indicated.

John H Maxwell	- Chairman
John Dawson	
Kerry Richardson	
Colin Skeen	- appointed 14 January 1998
Mark Tanzer	- appointed 7 April 1999
Frank Thackwray	
Stephen Young	- appointed 2 March 1998

Mark Haszlkiewicz and Pete Johnson were directors of the company from the beginning of the year until their resignations on 2 March 1998 and 17 February 1999 respectively.

- 5 **DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND CONTRACTS**

None of the directors had any beneficial interest in shares of any group undertaking during the year and in any contract of significance to which the company was a party during the year.

- 6 **EMPLOYMENT POLICIES**

The AA Group policy is to consult and discuss with employees, through unions and at monthly briefings, matters which are likely to affect employee interests. The aim is to increase the effectiveness of the group's operations for the mutual benefit of members, customers and employees.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1998 - continued

6 EMPLOYMENT POLICIES - continued

All employees participate in a performance-related bonus or an incentive scheme and in addition there is a long term remuneration scheme for senior management.

The AA Group policy is to recruit people with disabilities, registered or not, for those vacancies that they are able to fill. The group's responsibilities under the Disability Discrimination Act 1995 are fulfilled, such that employees with disabilities participate, as appropriate, in training and career development schemes. Where an employee becomes disabled, arrangements are made to enable the employee to perform work identified as appropriate to his or her aptitude and ability.

The AA Group is a member of the Employers' Forum on Disability and holds the Employment Service Double Tick Standard in all businesses.

7 PAYMENT POLICY

The AA Group's policy complies with the CBI's Prompt Payment Code of Good Practice concerning the payment of trade creditors. Under this code we agree terms with our suppliers and pay in accordance with them. Copies of the code can be obtained from the CBI, Centrepoint, 103 New Oxford Street, London WC1A 1DU.

8 YEAR 2000

Many computer systems express dates using only the last two digits of the year. These systems require modification or replacement to enable the company to continue its business operations up to and into the year 2000. The operation of our business depends not only on our computer systems, but also to some degree on those of our suppliers and customers. There is, therefore, an exposure to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is participating in the AA Group programme designed to address the impact of the year 2000 on all the group's businesses. As part of the group exercise, an analysis of significant risks has been performed to determine the impact of the issue on our activities. From this, prioritised action plans have been developed that are designed to address the key risks in advance of critical dates and without disruption to the underlying business processes. The plan also includes a requirement for the testing of all critical systems.

The risk analysis also considers the impact on our business of year 2000 related failures by our significant suppliers and customers

The total estimated cost for the above programme has been quantified at an AA Group level and is disclosed in the AA Group financial statements.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1998 - continued

9 AUDITORS

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the Board appointed the new firm PricewaterhouseCoopers as auditors.



BY ORDER OF THE BOARD

MAXINE HARRISON
SECRETARY

24 MAY 1999

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED**DIRECTORS' STATEMENT OF RESPONSIBILITY****IN RELATION TO FINANCIAL STATEMENTS**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results of the company for the financial year.

The directors consider that, in preparing the financial statements on pages 6 to 17, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. In addition, the directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors confirm that they have complied with these requirements.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED**

We have audited the financial statements on pages 6 to 17, which have been prepared in accordance with the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the financial statements, as described on page 4. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the directors' report and the directors' statement of responsibility and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
SOUTHAMPTON, 24 MAY 1999

PROFIT AND LOSS ACCOUNT

TECHNICAL ACCOUNT - GENERAL BUSINESS

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £'000	1997 £'000
EARNED PREMIUMS, NET OF REINSURANCE			
Gross premiums written	2	40,738	39,112
Outward reinsurance premiums		(6,616)	(6,295)
Net premiums written		<u>34,122</u>	<u>32,817</u>
Change in the gross provision for unearned premiums		(170)	(57)
Change in the provision for unearned premiums, reinsurer's share		<u>(146)</u>	<u>103</u>
Change in the net provision for unearned premiums		<u>(316)</u>	<u>46</u>
TOTAL TECHNICAL INCOME		<u>33,806</u>	<u>32,863</u>
CLAIMS INCURRED, NET OF REINSURANCE			
Gross claims paid		14,511	17,717
Reinsurer's share		(430)	(1,064)
Net claims paid		<u>14,081</u>	<u>16,653</u>
Change in the gross provision for claims	3	(176)	692
Change in the provision for claims, reinsurer's share		<u>(256)</u>	<u>21</u>
Change in the net provision for claims		<u>(432)</u>	<u>713</u>
CLAIMS INCURRED, NET OF REINSURANCE		<u>13,649</u>	<u>17,366</u>
Net operating expenses	4	14,345	13,758
Change in the equalisation provision		-	(30)
TOTAL TECHNICAL CHARGES		<u>27,994</u>	<u>31,094</u>
BALANCE ON THE TECHNICAL ACCOUNT - GENERAL BUSINESS		<u>5,812</u>	<u>1,769</u>

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT - continued

NON-TECHNICAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £'000	1997 £'000
Balance on the technical account - general business		5,812	1,769
Investment income	5	3,110	2,511
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	8,922	4,280
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	9	(2,726)	(1,318)
PROFIT FOR THE FINANCIAL YEAR AFTER TAX		6,196	2,962
Dividends	10	(3,500)	-
Retained profit for the financial year		2,696	2,962
RETAINED PROFIT AT 1 JANUARY 1998		18,019	15,057
RETAINED PROFIT AT 31 DECEMBER 1998		20,715	18,019

All items dealt with in arriving at the profit before taxation for both 1998 and 1997 relate to continuing operations.

As the financial statements have been drawn up under the historical cost convention, there is no difference between the profit and loss account reported on pages 6 and 7 and its historical cost equivalent.

The company has no recognised gains or losses in 1998 and 1997, other than the profit for the financial year, reported on pages 6 and 7, and, therefore, no separate statement of total recognised gains or losses is presented.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

BALANCE SHEET - 31 DECEMBER 1998

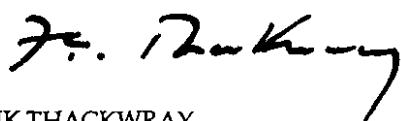
	Note	1998 £'000	1997 £'000
ASSETS			
INVESTMENTS			
Other financial investments - deposits with credit institutions		44,000	35,000
REINSURER'S SHARE OF TECHNICAL PROVISIONS			
Provision for unearned premiums		3,237	3,383
Claims outstanding		393	137
		<u>3,630</u>	<u>3,520</u>
DEBTORS			
Debtors arising out of direct insurance operations	11	992	3,298
Debtors arising out of reinsurance operations - group undertakings		27	720
Other debtors	12	<u>2,984</u>	<u>2,979</u>
		<u>4,003</u>	<u>6,997</u>
OTHER ASSETS			
Tangible assets	13	121	295
Cash at bank and in hand		<u>893</u>	<u>2,993</u>
		<u>1,014</u>	<u>3,288</u>
PREPAYMENTS AND ACCRUED INCOME			
Accrued interest and rent		1,524	651
Deferred acquisition costs		<u>3,062</u>	<u>3,084</u>
		<u>4,586</u>	<u>3,735</u>
TOTAL ASSETS		<u><u>57,233</u></u>	<u><u>52,540</u></u>

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

BALANCE SHEET - 31 DECEMBER 1998 - continued

	Note	1998 £'000	1997 £'000
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	14	2,500	2,500
Profit and loss account		<u>20,715</u>	<u>18,019</u>
EQUITY SHAREHOLDERS' FUNDS	15	<u>23,215</u>	<u>20,519</u>
TECHNICAL PROVISIONS			
Provision for unearned premiums		17,824	17,654
Claims outstanding		<u>3,323</u>	<u>3,499</u>
		<u>21,147</u>	<u>21,153</u>
CREDITORS			
Creditors arising out of direct insurance operations		200	-
Creditors arising out of reinsurance operations - group undertakings		27	1,266
Other creditors including taxation and social security	16	<u>11,860</u>	<u>8,518</u>
		<u>12,087</u>	<u>9,784</u>
ACCRUALS AND DEFERRED INCOME		784	1,084
TOTAL LIABILITIES		<u>57,233</u>	<u>52,540</u>

The financial statements on pages 6 to 17 were approved by the Board of directors on 24 May 1999 and were signed on its behalf by:



FRANK THACKWRAY
DIRECTOR

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the provisions of Section 255A of, and Schedule 9A to, the Companies Act 1985, and with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers ("the ABI SORP") dated December 1998.

A summary of the accounting policies is set out below.

Premiums

All premiums written relate to business inception in the year and are shown gross of any commission due to intermediaries and exclusive of insurance premium tax. The amount includes an estimate of premiums due but not yet received.

Unearned premiums

The provision for unearned premiums represents that proportion of the premiums written in the year relating to the period of the policy that has not expired at the balance sheet date.

Claims

Provision is made for the estimated cost of claims notified but not settled by the balance sheet date and of claims incurred but not reported by that date, together with the expected administrative costs of settlement. Any differences between provisions and subsequent settlements are dealt with in the technical accounts of later years.

Unexpired risks provisions

The total of unearned premiums and related investment returns in future years is compared with the aggregate estimated future claims and expenses in respect of business in force at the year end. A provision for unexpired risks is created to meet any anticipated deficiency for each grouping of business which is managed together.

Acquisition costs

Acquisition costs, which represent commission and other related expenses, are deferred subject to recoverability and amortised over the period in which the related premiums are earned.

Costs incurred by and on behalf of other group companies

The Automobile Association and other group companies allocate to the company costs, which they have incurred on the company's behalf; similarly, the company allocates to other group companies costs, which have been incurred on their behalf.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

1 ACCOUNTING POLICIES - continued

Depreciation

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Equipment	20% - 33.33%
Motor vehicles	18% - 22%

The cost of furniture and fittings is written off in the year of purchase, except in the case of major projects, where the costs are capitalised and depreciated, using an annual rate of 20%.

Retirement benefits

The cost of providing retirement benefits is charged to the technical account - general business over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions and premiums paid, is included as an asset or liability in the balance sheet.

Deferred taxation

Provision is made for all material timing differences to the extent that it is probable that a liability or asset will crystallise, at the rate which is then expected to apply.

Investments

- i) Investment income is the amount receivable for the period, and includes, where appropriate, the imputed tax credit.
- ii) Investments are included in the balance sheet at current market value.
- iii) Realised and unrealised investment gains are included in the non-technical account in the period in which they arise.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year or, if hedged forward, at the rate of exchange under the related forward currency contract. Gains and losses arising on the translation of assets and liabilities are taken to the technical account - general business together with other exchange differences.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

1 ACCOUNTING POLICIES - continued

Cash flow statement

As a wholly owned subsidiary the company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (revised).

2 SEGMENTAL INFORMATION

1998	Miscellaneous financial loss £'000	Legal expenses £'000	Assist- ance £'000	Total £'000
Gross premiums written	<u>704</u>	<u>13,804</u>	<u>26,230</u>	<u>40,738</u>
Gross premiums earned	720	14,096	25,752	40,568
Gross claims incurred	377	1,448	12,510	14,335
Operating expenses	288	5,981	8,076	14,345
Reinsurer's share of premiums and claims	-	6,076	-	6,076
General business technical result	<u>55</u>	<u>591</u>	<u>5,166</u>	<u>5,812</u>
1997	Miscellaneous financial loss £'000	Legal expenses £'000	Assist- ance £'000	Total £'000
Gross premiums written	<u>882</u>	<u>13,170</u>	<u>25,060</u>	<u>39,112</u>
Gross premiums earned	872	12,928	25,255	39,055
Gross claims incurred	622	2,429	15,358	18,409
Operating expenses	418	4,101	9,239	13,758
Reinsurer's share of premiums and claims	-	5,149	-	5,149
Change in the equalisation provision	(30)	-	-	(30)
General business technical result	<u>(138)</u>	<u>1,249</u>	<u>658</u>	<u>1,769</u>

All gross premiums written are in respect of direct business and were concluded in the United Kingdom.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

3 MOVEMENTS IN PRIOR YEARS' CLAIMS PROVISIONS

A positive run-off deviation of £249,000 was experienced during the year in respect of legal expenses and an adverse run-off of £198,000 in respect of Assistance (1997, positive run-off deviation of £228,000 in respect of legal expenses and an adverse run-off of £230,000 in respect of Assistance).

4 NET OPERATING EXPENSES

	1998	1997
	£'000	£'000
Policy acquisition costs	7,949	7,369
Change in deferred acquisition costs	(22)	(956)
Administration costs	6,418	7,345
Net operating expenses	14,345	13,758

The total commission incurred during the year was £7,580,000 (1997, £6,217,000).

Administration costs include general marketing costs, being an allocation of The Automobile Association's total marketing expense.

5 INVESTMENT INCOME

	1998	1997
	£'000	£'000
Income from investments other than participating interests:		
Income from other financial investments	3,110	2,511

6 AUDITORS' REMUNERATION

The remuneration of the auditors of the company for audit services was £36,000 (1997, £35,000). In addition, the remuneration of the auditors for non-audit services was £nil (1997, £12,000).

7 DIRECTORS' EMOLUMENTS

	1998	1997
	£'000	£'000
Aggregate emoluments	-	37
Employer pension contributions to money purchase scheme	-	1

The emoluments of the directors are paid by the parent company and ultimate holding entity, The Automobile Association. The directors are Committee members of The Automobile Association and directors of a number of fellow subsidiaries and it is not now possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly the above details include no emoluments in respect of the directors. Their emoluments are included in the aggregate of Committee member emoluments disclosed in the financial statements of The Automobile Association.

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

8 EMPLOYEES

The average number of persons employed by the company, including executive directors, during the year was 103 (1997, 243).

Staff costs, including remuneration to executive directors, during the year amounted to:

	1998	1997
	£'000	£'000
Wages and salaries	1,494	2,803
Social security costs	110	192
Other pension costs	123	217
	<u>1,727</u>	<u>3,212</u>

9 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1998	1997
	£'000	£'000
United Kingdom corporation tax at 31% (1997 31.5%)		
Current	2,727	1,268
Under/(over) provision in respect of prior years	(1)	50
	<u>2,726</u>	<u>1,318</u>

10 DIVIDENDS

	1998	1997
	£'000	£'000
Proposed final dividend of £1.40 per share (1997, nil)	<u>3,500</u>	<u>-</u>

11 DEBTORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	1998	1997
	£'000	£'000
Policyholders	113	986
Intermediaries	879	2,312
	<u>992</u>	<u>3,298</u>

12 OTHER DEBTORS

	1998	1997
	£'000	£'000
Amounts owed by group undertakings	1,072	293
Other debtors	1,912	2,686
	<u>2,984</u>	<u>2,979</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

13 TANGIBLE ASSETS

	Equipment and motor vehicles £'000
Cost	
At 1 January 1998	1,122
Additions	74
Disposals	(442)
At 31 December 1998	<u>754</u>
Depreciation	
At 1 January 1998	827
Charge for the year	95
Disposals	(289)
At 31 December 1998	<u>633</u>
Net book value	
At 31 December 1998	<u>121</u>
At 31 December 1997	<u>295</u>

14 CALLED UP SHARE CAPITAL

	1998 £'000	1997 £'000
Ordinary shares of £1 each		
Authorised	<u>10,000</u>	<u>10,000</u>
Issued, called up and fully paid	<u>2,500</u>	<u>2,500</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £'000	1997 £'000
Profit for the financial year	6,196	2,962
Dividends payable	(3,500)	-
Net addition to shareholders' funds	<u>2,696</u>	<u>2,962</u>
Shareholders' funds at 1 January 1998	20,519	17,557
Shareholders' funds at 31 December 1998	<u>23,215</u>	<u>20,519</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

16 OTHER CREDITORS INCLUDING TAX AND SOCIAL SECURITY

	1998	1997
	£'000	£'000
Amounts owed to group undertakings	5,066	6,293
Corporation tax	2,830	1,434
Other taxation and social security	234	341
Other creditors	230	450
Dividends payable	3,500	-
	<u>11,860</u>	<u>8,518</u>

17 PENSIONS AND SIMILAR OBLIGATIONS

Pension schemes for the AA Group's employees are of the defined benefit, final salary type, the assets of which are held in trust funds separate from the AA Group's finances. The schemes are self-administered and funded to cover future pension liabilities (including expected future earnings and pension increases) in respect of service up to the balance sheet date.

They are subject to independent valuations at least every three years, on the basis of which the company's consulting actuary certifies the rates of the employer's contributions which, together with the specified contributions payable by the employees and proceeds from the schemes' assets, are sufficient to fund the benefits payable under the schemes.

The company has a commitment to provide post-retirement private medical insurance cover for certain current and past employees.

Details relating to the latest actuarial valuations of these arrangements are contained in the financial statements of The Automobile Association. Provisions for pensions and similar obligations are held centrally by The Automobile Association.

18 DEFERRED TAXATION

The deferred taxation provision and full potential asset are set out below:

	1998 Full potential asset £'000	1998 Provision made £'000	1997 Full potential asset £'000	1997 Provision made £'000
Timing differences on				
Fixed assets	34	-	31	-
Provisions for pensions and similar obligations	252	-	277	-
Other items	132	-	151	-
	<u>418</u>	<u>-</u>	<u>459</u>	<u>-</u>

AUTOMOBILE ASSOCIATION UNDERWRITING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 - continued

19 COMMITMENTS

At 31 December 1997, the company was part of a group cross guarantee arrangement whereby it guaranteed the overdrafts of certain other group undertakings and at that date the company's exposure under this guarantee was £140,427,000. In 1998, the company was removed from this arrangement and hence the company now has no exposure under this guarantee.

20 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the company is exempt from the requirement to disclose related party transactions with other AA Group undertakings under Financial Reporting Standard 8 which cancel on consolidation. There are no other related party transactions which require disclosure.

21 ULTIMATE OWNERSHIP

The company is a wholly owned subsidiary of Automobile Association Developments Limited. The ultimate ownership of Automobile Association Developments Limited is vested in The Automobile Association, whose principal place of business is situated at Norfolk House, Priestley Road, Basingstoke, Hampshire, RG24 9NY.