

AA THE DRIVING SCHOOL AGENCY LIMITED
ACCOUNTS - 31 DECEMBER 1998



Registered number: 2733119

AA THE DRIVING SCHOOL AGENCY 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 principal activity of the company is to act as an Agent to collect and hold sums of money, subject to agency agreements.

3 **DIVIDENDS**

The directors do not recommend the payment of a dividend 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.

Frank Thackwray	-	Chairman
Kerry Richardson	-	appointed 30 January 1998
Colin Skeen	-	appointed 30 January 1998

Pete Johnson was a director of the company from the beginning of the year until his resignation on 30 January 1998.

5 **DIRECTOR'S INTERESTS IN SHARES OF THE COMPANY AND CONTRACTS**

None of the directors of the company 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 **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, Centre Point, 103 New Oxford Street, London WC1A 1DU.

7 **YEAR 2000**

The directors do not consider that the effect of the date change as a result of the millennium will have any significant impact on the company.

AA THE DRIVING SCHOOL AGENCY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1998 - continued

8 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

21 MAY 1999

AA THE DRIVING SCHOOL AGENCY 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 profit of the company for the financial year.

The directors consider that in preparing the financial statements on pages 5 and 6, 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
AA THE DRIVING SCHOOL AGENCY LIMITED

We have audited the financial statements on pages 5 and 6, which have been prepared in accordance with the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the financial statements, as described on page 3. 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, 21 MAY 1999

AA THE DRIVING SCHOOL AGENCY LIMITED

BALANCE SHEET - 31 DECEMBER 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors	2	224	224
Cash at bank and in hand		<u>1,620,352</u>	<u>1,516,226</u>
		1,620,576	1,516,450
CREDITORS: amounts falling due within one year			
	3	(1,620,574)	(1,516,448)
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

The financial statements on pages 5 and 6 were approved by the Board of directors on 21 May 1999 and were signed on its behalf by:



COLIN SKEEN
DIRECTOR

AA THE DRIVING SCHOOL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

1 ACCOUNTING POLICIES

The financial statements have been prepared on a consistent basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

A summary of accounting policies is set out below.

The profit and loss account has not been prepared as the company is an agency company, collecting and holding monies subject to agency agreements. A fellow group company meets all of the expenses of the company.

2 DEBTORS

	1998	1997
	£	£
Other debtors	<u>224</u>	<u>224</u>

3 CREDITORS

Amounts falling due within one year

	1998	1997
	£	£
Amounts owed to group undertakings	404,586	455,191
Other creditors	<u>1,215,988</u>	<u>1,061,257</u>
	<u>1,620,574</u>	<u>1,516,448</u>

4 CALLED UP SHARE CAPITAL

	1998	1997
	£	£
Ordinary shares of £1 each		
Authorised	<u>100</u>	<u>100</u>
Issued, called up and fully paid	<u>2</u>	<u>2</u>

5 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.

6 ULTIMATE OWNERSHIP

The ultimate ownership of AA The Driving School Agency Limited is vested in The Automobile Association, whose principal place of business is situated at Norfolk House, Priestley Road, Basingstoke, Hampshire, RG24 9NY.