

**AA ROAD SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2011**

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# **AA ROAD SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2011**

The Directors present their report and audited financial statements of AA Road Services Limited ("the Company") for the year ended 31 January 2011

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company did not trade during the year. The principal activity of the Company was the provision of tyre fitting services through its own resources as well as acting as an intermediary between large fleet companies, independent tyre fitters and dealers.

Due to the inactive nature of the Company, the Directors have not identified any specified risks and uncertainties which could impact on the future performance of the business.

#### **RESULTS AND DIVIDENDS**

The profit and loss account for the year is set out on page 4. The profit before taxation of the Company for the year was £Nil (2010: £332,000). The directors do not recommend the payment of a dividend for the year (2010: £nil).

#### **DIRECTORS**

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

J A Goodsell  
S M Howard  
A J P Strong

#### **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 elected to prepare 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**AA ROAD SERVICES LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 JANUARY 2011**

**DIRECTORS' RESPONSIBILITIES STATEMENT (continued)**

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.

**RE-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.

BY ORDER OF THE BOARD



J DAVIES  
COMPANY SECRETARY  
23 September 2011

Registered Office  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

Registered Number 4447909

## **AA ROAD SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AA ROAD SERVICES LIMITED**

We have audited the financial statements of AA Road Services Limited for the year ended 31 January 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2011,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter 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.

#### **Matters on which we are required to report by exception**

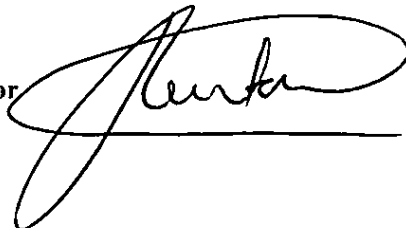
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

James Lenton (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

30 September 2011

5 October



**AA ROAD SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JANUARY 2011**

	Notes	2011 £'000	2010 £'000
<b>ADMINISTRATIVE EXPENSES</b>			
Non operating exceptional items	4	-	332
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>-</u>	<u>332</u>
Taxation on profit on ordinary activities	5	-	(93)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	<u><u>-</u></u>	<u><u>239</u></u>

Profit on ordinary activities before taxation for the previous year reported relates to discontinued operations

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

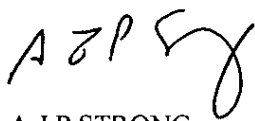
The notes on pages 6 to 8 form part of these financial statements

**AA ROAD SERVICES LIMITED**

**BALANCE SHEET AT 31 JANUARY 2011**

	Notes	2011 £'000	2010 £'000
<b>CURRENT ASSETS</b>			
Debtors	6	-	7,333
<b>CREDITORS</b> (amounts falling due within one year)	7	(1,070)	(8,403)
<b>NET LIABILITIES</b>		<u>(1,070)</u>	<u>(1,070)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,000	1,000
Share premium	9	16,500	16,500
Profit and loss account	9	<u>(18,570)</u>	<u>(18,570)</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	10	<u>(1,070)</u>	<u>(1,070)</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 23 September 2011 and were signed on its behalf by

  
A J P STRONG  
DIRECTOR

The notes on pages 6 to 8 form part of these financial statements

# **AA ROAD SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in the Companies Act 2006 s 464

The Company has net liabilities at the year end. The Directors consider that, taking into account the ultimate parent undertaking described below, the Company has sufficient financial resources to meet its liabilities as they fall due for the foreseeable future and therefore adopted the going concern basis in preparing these Financial Statements. The Company's ultimate parent undertaking, Acromas Holdings Limited, has agreed to provide the Company with the financial support necessary to enable it to meet its liabilities as they fall due. A summary of the accounting policies, which have been applied on a consistent basis with the prior year, is set out below.

#### **Cash flow statement**

The Directors have taken advantage of the exemption available under FRS 1 (Cash flow statements) of the requirement to prepare a cash flow statement as a consolidated cash flow statement has been presented in the financial statements of the ultimate parent undertaking, Acromas Holdings Limited.

#### **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 AUDITOR'S REMUNERATION**

The audit fee of £3,000 has been borne by another group company (2010 £4,000).

# AA ROAD SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 EMPLOYEES AND 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. None of these Directors received any emoluments during the year in respect of their services as a Director of the Company (2010 £nil) and it would not be practicable to apportion their emoluments between their services as Directors of the Company and their services as Directors of other group companies. The Company has not been recharged any amount for the emoluments of these Directors (2010 £nil).

The Company has no employees (2010 nil)

### 4 NON-OPERATING EXCEPTIONAL ITEMS

	2011	2010
	£'000	£'000
Non-operating exceptional items	<u>-</u>	<u>332</u>

The credit in the previous year relates to the release of a provision no longer required

### 5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows	2011	2010
	£'000	£'000
<b>Current Tax</b>		
- Current tax on income for the year	-	93
<b>Total current tax charge</b>	<u>-</u>	<u>93</u>

The previous year's tax charge represents payments made for group losses

There is no difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 28% (2010 28%) to the profit before tax

### 6 DEBTORS

	2011	2010
	£'000	£'000
Amounts owed by group undertakings	<u>-</u>	<u>7,333</u>

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



# AA ROAD SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 CREDITORS (amounts falling due within one year)

	2011	2010
	£'000	£'000
Amounts owed to group undertakings	<u>1,070</u>	<u>8,403</u>

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

### 8 CALLED UP SHARE CAPITAL

	2011	2010
	£	£
Ordinary shares of £1 each		
Allotted, called up and fully paid	<u>1,000,002</u>	<u>1,000,002</u>

### 9 RESERVES

	Share premium	Profit and loss account
	£'000	£'000
Opening balance	16,500	(18,570)
Profit for the financial year	-	-
Closing balance	<u>16,500</u>	<u>(18,570)</u>

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

	2011	2010
	£'000	£'000
Profit for the financial year	-	239
Opening shareholder's funds	<u>(1,070)</u>	<u>(1,309)</u>
Closing shareholder's funds	<u>(1,070)</u>	<u>(1,070)</u>

### 11 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.

### 12 ULTIMATE CONTROLLING PARTY

The Directors consider the ultimate controlling party to be funds advised by Charterhouse General Partners, CVC Capital Partners and Permira Advisers acting in concert.

### 13 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Automobile Association Developments 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.