

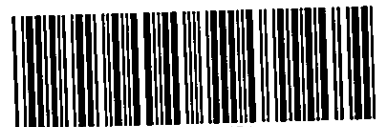
AA ROAD SERVICES LIMITED

4447909

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2012

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AA ROAD SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2012

The directors present their report and audited financial statements of AA Road Services Limited (the Company) for the year ended 31 January 2012

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Automobile Association Development Limited

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

The Company's key financial and other performance indicators during the year were as follows

	2012	2011	Change
	£'000	£'000	%
Net liabilities	1,070	1,070	-

The balance sheet on page 5 of the financial statements shows the Company's financial position at the year end Details of amounts owed to its parent company and fellow subsidiary undertakings are shown in note 4 to the financial statements

For decision making and internal performance management, management's key performance metric is net liabilities Net liabilities remained at £1.1m (2011 £1.1m)

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2011 £nil)

DIRECTORS

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

J A Goodsell
S M Howard
A J P Strong

RISK MANAGEMENT FRAMEWORK

The business has developed an embedded enterprise risk management process that facilitates the identification, assessment, escalation and mitigation of the Company's risk exposure across every aspect and activity of the business This framework enables the business to manage risk using predefined assessment criteria to ensure residual risk levels are in line with the Board's agreed risk appetite

The principal risks have been grouped into the following categories

Financial Risk

The Company is part of the Acromas Holdings Limited Group and its financial risks are managed centrally by the Group Treasury team taking into account the Company's position as part of the group with due consideration being given to the impact of transactions with other group entities

AA ROAD SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2012

RISK MANAGEMENT FRAMEWORK (continued)

Brand Risk

The Company recognises that the AA brand is a key differentiator and source of competitive advantage, and brand damage from low quality products or services could have an adverse impact on the Company. It has in place policies and procedures to protect the brand at all times.

The business has put in place rigorous procedures and controls designed to prevent significant risks to the business occurring or to mitigate their effects if they should occur. These controls are monitored both by the Compliance and Internal Audit functions to ensure they are working effectively.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

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.

GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the business review on pages 1 and 2.

Despite the Company being in a net liability position, the ultimate parent undertaking has stated that it will provide continuing financial assistance to the Company for the foreseeable future.

The directors believe that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

AA ROAD SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2012

RE-APPOINTMENT OF AUDITOR

In accordance with section 487(2) of the Companies Act 2006, the Auditor Ernst & Young LLP is deemed re-appointed

DISCLOSURE OF INFORMATION TO AUDITOR

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



A J P STRONG
DIRECTOR

10 SEPTEMBER 2012

Registered Office
Fanum House
Basing View
Basingstoke
Hampshire
RG21 4EA

Registered Number 04447909

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 2012 which comprise the Balance Sheet and the related notes 1 to 10. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 Annual Report and financial statements 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 2012,
- 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.

Ernst & Young LLP
James Lenton (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
London

3rd October 2012

AA ROAD SERVICES LIMITED

BALANCE SHEET AT 31 JANUARY 2012

	Notes	2012 £'000	2011 £'000
CREDITORS (amounts falling due within one year)	4	(1,070)	(1,070)
NET LIABILITIES		<u>(1,070)</u>	<u>(1,070)</u>
CAPITAL AND RESERVES			
Called up share capital	5	1,000	1,000
Share premium	6	16,500	16,500
Profit and loss account	6	(18,570)	(18,570)
EQUITY SHAREHOLDER'S FUNDS	7	<u>(1,070)</u>	<u>(1,070)</u>

The financial statements on pages 5 to 7 were approved by the board of directors on 10 SEPT. 2012 and were signed on its behalf by



A J P STRONG
DIRECTOR

Registered Number 04447909

The notes on pages 6 to 7 form part of these financial statements

AA ROAD SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Basis of accounting

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

Despite the Company being in a net liability position, the ultimate parent undertaking has stated that it will provide continuing financial assistance to the Company for the foreseeable future

The financial statements are prepared on a going concern basis. A summary of the accounting policies, which have been applied on a consistent basis with the prior year, is set out below

b) 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

c) 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

2 AUDITOR'S REMUNERATION

The Company's auditor provided no services to the Company other than the annual audit during either of the periods under review. Audit fees of £3,000 (2011: £3,000) were borne by another group company

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 (2011: £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 (2011: £nil)

The Company had no employees throughout the year (2011: nil)

4 CREDITORS (amounts falling due within one year)

	2012	2011
	£'000	£'000
Amounts owed to group undertakings	<u>1,070</u>	<u>1,070</u>

Amounts owed to group undertakings were unsecured, had no repayment terms and bore no interest

5 CALLED UP SHARE CAPITAL

	2012	2011
	£'000	£'000
Allotted, called up and fully paid		
1,000,002 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

AA ROAD SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 RESERVES

	Share premium £'000	Profit and loss account £'000
Opening balance	16,500	(18,570)
Profit for the financial year	-	-
At 1 February 2011 and at 31 January 2012	<u>16,500</u>	<u>(18,570)</u>

7 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Opening shareholders' funds	(1,070)	(1,070)
Profit for the financial year	-	-
At 1 February 2011 and at 31 January 2012	<u>(1,070)</u>	<u>(1,070)</u>

8 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.

9 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.

10 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.