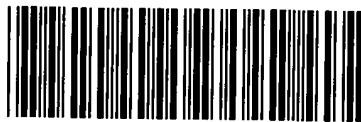


DRAKEFIELD HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016

Registered number: 06090338

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COMPANIES HOUSE

DRAKEFIELD HOLDINGS LIMITED

FOR THE YEAR ENDED 31 JANUARY 2016

STRATEGIC REPORT

The directors present their strategic report, directors' report and audited financial statements of Drakefield Holdings Limited ("the Company") for the year ended 31 January 2016.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Automobile Association Insurance Services Limited.

The principal activity of the Company is that of a holding company.

As shown in the Company's Income statement, the Company did not trade during the current year. In the prior year the Company made a loss of £7.2m as a result of the impairment of the Company's investments in Drakefield Group Limited, Drakefield Insurance Services Limited and Drakefield Services Limited.

RISK MANAGEMENT FRAMEWORK

The Company is part of the AA plc Group which 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 AA plc 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.

BY ORDER OF THE BOARD



G PRITCHARD
DIRECTOR

27 OCTOBER 2016

Registered Office:
Fanum House
Basing View
Basingstoke
Hampshire
RG21 4EA

DRAKEFIELD HOLDINGS LIMITED
FOR THE YEAR ENDED 31 JANUARY 2016

DIRECTORS' REPORT

DIRECTORS

The directors who held office during the year were as follows:

R J H Scott	(Resigned 30 April 2016)
M Huggins	(Resigned 30 September 2015)
M F Millar	(Appointed 30 September 2015)
G Pritchard	(Appointed 30 April 2016)

COMPANY SECRETARY

M F Millar

DIRECTOR'S INDEMNITY

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors and officers. The Company has also granted indemnities to its directors and officers against all losses and liabilities incurred in the discharge of their duties, to the extent permitted by law.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally accepted Accounting Policies) including FRS101 "Reduced Disclosure Framework". 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 company and the profit and loss of the company for that period prepare financial statements for each financial year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year (2015: £nil).

GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the strategic report on page 1.

DRAKEFIELD HOLDINGS LIMITED
FOR THE YEAR ENDED 31 JANUARY 2016

DIRECTORS' REPORT (*continued*)

The Company is reliant on other group companies to pay for recharged costs. The directors believe that the Company has considerable financial resources due to the available cash resources of the AA plc group which can be drawn upon and the Company's own net asset position. The directors believe that the Company is well placed to manage its business risks successfully using the risk management framework described in the Strategic Report and that the residual risks being taken by the Company are commensurate with its financial resources.

The directors believe that the Company has 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each director has made enquiries of their fellow director 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.

RE-APPOINTMENT OF AUDITOR

In accordance with section 487(2) of the Companies Act 2006, the Auditor Ernst and Young LLP is deemed reappointed.

BY ORDER OF THE BOARD



G PRITCHARD
DIRECTOR

27 OCTOBER 2016

Registered Office:
Fanum House
Basing View
Basingstoke
Hampshire
RG21 4EA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRAKEFIELD HOLDINGS LIMITED

We have audited the financial statements of Drakefield Holdings Limited for the year ended 31 January 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related note 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), including FRS 101 "Reduced Disclosure Framework".

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 as 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

28 October 2016

DRAKEFIELD HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £	2015 £
Exceptional items	3	-	(7,205,101)
LOSS FOR THE FINANCIAL YEAR		-	(7,205,101)

All income and expenditure arises from continuing operations.

There are no gains and losses other than those passing through the income statement, therefore no separate statement of comprehensive income is presented.

The accompanying notes are an integral part of these financial statements.

DRAKEFIELD HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 JANUARY

	Notes	2016 £	2015 £
NON-CURRENT ASSETS			
Investments in group undertakings	5	-	-
CURRENT ASSETS			
Trade and other receivables	6	623,900	623,900
NET ASSETS		<u>623,900</u>	<u>623,900</u>
EQUITY			
Called up share capital	7	10,000	10,000
Share premium account		7,819,001	7,819,001
Retained earnings		<u>(7,205,101)</u>	<u>(7,205,101)</u>
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		<u>623,900</u>	<u>623,900</u>

Signed for and on behalf of the board of directors by:



G PRITCHARD
DIRECTOR

27 OCTOBER 2016

The accompanying notes are an integral part of these financial statements.

DRAKEFIELD HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 February 2014	10,000	7,819,001	-	7,829,001
Loss for the year		-	(7,205,101)	(7,205,101)
At 31 January 2015 and 31 January 2016	10,000	7,819,001	(7,205,101)	623,900

The accompanying notes are an integral part of these financial statements.

DRAKEFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Presentation of financial statements

Drakefield Holdings Limited is incorporated and domiciled in England and Wales.

The financial statements are prepared on a going concern basis.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101"). The financial statements are prepared under the historical cost convention.

The financial statements are prepared in Sterling and are rounded to the nearest £1.

2 Accounting Policies

2.1 Basis of preparation

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. As a consequence of adopting FRS 101, the Company has made no restatements to the comparatives with regards to recognition and measurement but has required amendments to presentation and disclosures in the accounts. The Company has early adopted Statutory Instruments 2015/980

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 1 paragraphs 10(d) and 10(f),
- IAS 1 paragraph 16 (statement of compliance with all IFRS),
- IAS 1 paragraph 38A (requirement for minimum of two primary statements, including cash flow statements),
- IAS 1 paragraph 111 (cash flow statement information),
- IFRS 1 paragraphs 6 and 21,
- IAS 7 'Statement of cash flows',
- IAS 8 paragraphs 30 and 31,
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group,
- IAS 24 'Related party disclosures (key management compensation).

2.2 Critical accounting estimates and judgements

Due to the inactive nature of the Company, there are no critical accounting estimates or judgements to be made by management in respect of these financial statements.

2.3 Significant Accounting policies

a) Investments

Investments are valued individually at the lower of cost less any provision for impairment or net realisable value. Income from investments is recognised in the profit and loss account when it is receivable.

3 OPERATING LOSS

The exceptional item in the prior year of £7,205,101 relates to the impairment of the Company's investments in Drakefield Group Limited, Drakefield Insurance Services Limited and Drakefield Services Limited.

DRAKEFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 AUDITOR'S REMUNERATION

Auditors' remuneration in respect of the audit of the Company's financial statements for the year ended 31 January 2016 amounted to £nil (2015: £nil). The Company's auditor provided no services to the Company other than the annual audit during either the current or prior year.

5 DIRECTORS' EMOLUMENTS

	2016 £	2015 £
Aggregate remuneration in respect of qualifying services	301,114	930,493
Money purchase scheme contributions	-	46,800
Compensation for loss of office	47,778	860,010
Total	348,892	1,837,303

The amounts paid in respect of the highest paid director were as follows:

Remuneration	263,076	1,018,628
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All directors of the Company are also directors of the ultimate parent undertaking (AA plc) and/or fellow subsidiaries. As the directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of the ultimate parent undertaking and fellow subsidiary companies, their full remuneration has been reflected in the disclosure above.

Retirement benefits are accruing for 0 (2015: 1) directors under a defined benefit scheme.

The Company had no employees throughout the year (2015: nil).

6 INVESTMENTS IN GROUP UNDERTAKINGS

	Shares in subsidiary undertakings £
Cost	
At 31 January 2015 and at 31 January 2016	7,205,101
Impairment (see note 3)	(7,205,101)
Net book value	
At 31 January 2016	-
At 31 January 2015	-

7 TRADE AND OTHER RECEIVABLES

	2016 £	2015 £
Amounts owed by group undertakings	623,900	623,900

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

DRAKEFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 SHARE CAPITAL

	2016	2015
Allotted, called up and fully paid	£	£
866,000 ordinary shares 'A' of £0.01 each	8,660	8,660
134,000 ordinary shares 'B' of £0.01 each	1,340	1,340
	10,000	10,000

The voting rights of the holders of all ordinary shares are the same and all ordinary shares rank pari passu on a winding up.

The Company has 875,900 authorised ordinary 'A' shares of £0.01 each and 134,000 authorised ordinary 'B' shares of £0.01 each.

9 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Automobile Association Insurance Services Limited, a company registered in England and Wales.

The parent of the smallest group to consolidate these financial statements is AA Intermediate Co Limited whose registered office is Fanum House, Basing View, Basingstoke, RG21 4EA. The ultimate parent undertaking and controlling party, which is also the parent of the largest group to consolidate these financial statements, is AA plc whose registered office is at Fanum House, Basing View, Basingstoke, RG21 4EA.

Copies of the consolidated AA plc financial statements are available from the Company Secretary at the relevant registered office address.

10 SUBSIDIARY UNDERTAKINGS

All subsidiaries are wholly owned and incorporated and registered where stated below.

Name	Country
Drakefield Insurance Services Limited	United Kingdom
Drakefield Group Limited	United Kingdom
Drakefield Services Limited	United Kingdom