

**AA MEDIA LIMITED** 6112600  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2012**

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## **AA MEDIA LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 JANUARY 2012**

The directors present their report and audited financial statements of AA Media 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 AA Corporation Limited

The principal activity of the Company is publishing atlases, hotel and travel guides and producing AA branded signage

The directors agreed during the financial year ended 31 January 2012 to concentrate on the core areas of the publishing business. The costs relating to this restructuring are shown under exceptional items

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

	<b>2012</b>	<b>2011</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Turnover	23,791	25,831	(8%)
Staff costs	(6,045)	(5,705)	6%
Depreciation of fixed assets	(442)	(354)	25%
Exceptional items	(8,168)	-	100%
Other operating charges	(17,206)	(16,137)	7%
Total expenses	<u>(31,861)</u>	<u>(22,196)</u>	<u>44%</u>
Interest	<u>(83)</u>	<u>(53)</u>	<u>57%</u>
(Loss)/Profit before taxation	<u>(8,153)</u>	<u>3,582</u>	<u>(328%)</u>
EBITDA	<u>(7,628)</u>	<u>3,989</u>	<u>(291%)</u>
Average number of employees	<u>-</u>	<u>-</u>	<u>-</u>

As shown in the Company's profit and loss on page 6, the Company's turnover decreased by 8% to £23.8m during the current year, whilst loss before taxation increased to £8.2m over the same period

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. £7.0m of shares were issued during the current year which resulted in an increase of net assets to £2.2m. Details of amounts owed to its parent company and fellow subsidiary undertakings are shown in note 11 to the financial statements

For decision making and internal performance management, management's key performance metric is Earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA decreased by 291% to (£7.6m) during the current year

## **AA MEDIA LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JANUARY 2012**

#### **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

S M Howard

A J P Strong

A K Boland

R C A Miles                      Resigned 24 November 2011

#### **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.

Risk information is formally reviewed on a quarterly basis and is a standard agenda item at each of the core business forums.

The principal risks have been grouped into the following categories:

##### *Competitive Risk*

The Company continues to operate in highly competitive markets. This could lead to increased price competition with the effect of reduced margins or reduced market share. These risks are managed through promotion of the group brand and continuing efforts to improve efficiency and reduce costs.

##### *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. The most important component of financial risk impacting the Company is credit risk.

##### *Credit Risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The directors are satisfied that no action to mitigate this risk is necessary.

##### *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. The Company has in place policies and procedures to protect the brand at all times.

## **AA MEDIA LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JANUARY 2012**

##### **RISK MANAGEMENT FRAMEWORK (continued)**

The Company 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 to 3.

The directors believe that the Company has adequate financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation 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.

##### **RE-APPOINTMENT OF AUDITOR**

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

**AA MEDIA LIMITED**

**DIRECTORS' REPORT (continued)**

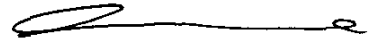
**FOR THE YEAR ENDED 31 JANUARY 2012**

**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 K BOLAND

DIRECTOR

10 SEPTEMBER 2012

Registered Office  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

Registered Number 06112600

## AA MEDIA LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AA MEDIA LIMITED

We have audited the financial statements of AA Media Limited for the year ended 31 January 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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 3, 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 and of its loss for the year then ended,
- 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.

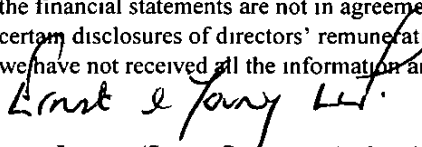
#### Opinion on other matter prescribed by the Companies Act 2006

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

2012

**AA MEDIA LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 JANUARY 2012**

	Notes	2012 £'000	2011 £'000
<b>TURNOVER</b>		<b>23,791</b>	25,831
<b>COST OF SALES</b>			
Before exceptional items		(12,853)	(12,497)
Exceptional items	5	(8,168)	-
<b>GROSS PROFIT</b>		<u>2,770</u>	<u>13,334</u>
<b>ADMINISTRATIVE EXPENSES</b>		<u>(10,840)</u>	<u>(9,699)</u>
<b>(LOSS)/PROFIT BEFORE INTEREST AND TAXATION</b>	2	(8,070)	3,635
Interest payable and similar charges	6	(83)	(53)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(8,153)</u>	<u>3,582</u>
Tax on (loss)/profit on ordinary activities	7	<u>2,064</u>	<u>(1,192)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><u>(6,089)</u></u>	<u><u>2,390</u></u>

All income and expenditure arises from continuing operations

The notes on pages 8 to 16 form part of these financial statements

There are no recognised gains and losses other than those passing through the profit and loss account

**AA MEDIA LIMITED**  
**BALANCE SHEET AT 31 JANUARY 2012**

	Notes	2012 £'000	2011 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	1,077	782
<b>CURRENT ASSETS</b>			
Stock	9	2,542	7,094
Debtors	10	<u>12,781</u>	<u>8,844</u>
		<b>15,323</b>	<b>15,938</b>
<b>CREDITORS</b> (amounts falling due within one year)	11	<u>(11,844)</u>	<u>(15,340)</u>
<b>NET CURRENT ASSETS</b>		<u><b>3,480</b></u>	<u><b>598</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,557</b>	<b>1,380</b>
<b>CREDITORS</b> (amounts falling due after more than one year)	12	(181)	(108)
<b>PROVISIONS FOR LIABILITIES</b>	14	(2,193)	-
<b>NET ASSETS</b>		<u><u><b>2,183</b></u></u>	<u><u><b>1,272</b></u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	7,000	-
Profit and loss account	17	<u>(4,817)</u>	<u>1,272</u>
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u><b>2,183</b></u></u>	<u><u><b>1,272</b></u></u>

The financial statements on pages 6 to 16 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 06112600

The notes on pages 8 to 16 form part of these financial statements



## AA MEDIA 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

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) Turnover

Turnover represents amounts receivable for goods and services provided, excluding value added tax and trade discounts. Revenue is recognised at point of delivery of goods or on provision of service

The turnover originates in the United Kingdom. Turnover by destination is not materially different from turnover by origin

##### d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs, less estimated residual value based on prices prevailing at date of acquisition of each asset evenly over its expected useful life as follows -

Equipment	3 - 5 years
Fixtures, fittings and equipment	3 - 20 years
Motor Vehicles	3 - 6 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

##### e) Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term

## **AA MEDIA LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **1 ACCOUNTING POLICIES (continued)**

##### **f) Stock**

Stock is valued at the lower of cost or net realisable value

##### **g) Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date and gains and losses arising are taken to the profit and loss account.

##### **h) 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.

##### **i) Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties.

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2 (LOSS)/PROFIT BEFORE INTEREST AND TAXATION

	2012	2011
(Loss)/profit before interest and taxation is stated after charging/(crediting)	£'000	£'000
Staff costs recharged (see note 3)	6,045	5,705
Depreciation of tangible fixed assets		
- Owned assets	281	220
- Under finance leases	161	134
Raw materials and consumables	329	249
Other external charges	16,738	15,742
Fees payable to the auditors		
- Audit of the financial statements	35	35
Operating lease rentals		
- Motor vehicles	104	123
Restructuring provision release	-	(12)
Exceptional items (see note 5)	8,168	-
	<u>31,861</u>	<u>22,196</u>

The Company's auditor provided no services to the Company other than the annual audit during the period under review

Staff costs exclusively relate to those recharged from The Automobile Association Limited, a group company incorporated in Jersey.

### 3 STAFF COSTS

Staff costs during the year were as follows	2012	2011
	£'000	£'000
Wages and salaries	5,551	5,255
Social security costs	494	450
	<u>6,045</u>	<u>5,705</u>

Staff costs relate to those recharged from The Automobile Association Limited, a group company incorporated in Jersey

### 4 DIRECTORS' EMOLUMENTS

S M Howard, A J P Strong and A K Boland are remunerated by Saga Group Limited, a fellow subsidiary of the ultimate parent undertaking, Acromas Holdings Limited R C A Miles is remunerated by Saga Publishing Limited, also a fellow subsidiary of the ultimate parent undertaking None of these directors received any emoluments during the year in respect of their services as directors 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)

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 EXCEPTIONAL ITEMS

	2012 £'000	2011 £'000
Exceptional items	<u>8,168</u>	<u>-</u>

Exceptional items consists of the increase in the stock provision and other exit costs as a result of the restructuring of the publishing business

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Finance charges payable under finance leases	28	33
Other interest payable	<u>55</u>	<u>20</u>
	<u>83</u>	<u>53</u>

### 7 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax (credit)/charge is made up as follows	2012 £'000	2011 £'000
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#### Current Tax:

- Group relief (receivable)/payable	(2,116)	893
- Adjustments in respect of prior periods	<u>20</u>	<u>45</u>
<b>Total current tax (credit)/charge</b>	<u>(2,096)</u>	<u>938</u>

#### Deferred tax:

- Origination and reversal of timing differences	16	114
- Adjustments in respect of prior periods	2	128
- Effect of tax rate change on opening balance	<u>15</u>	<u>12</u>
- <b>Total deferred tax charge</b>	<u>33</u>	<u>254</u>
<b>Total tax (credit)/charge on ordinary activities</b>	<u>(2,064)</u>	<u>1,192</u>

The current tax (credit)/charge represents payments/(receipts) for group losses

The difference between the total current corporation tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2012 £'000	2011 £'000
(Loss)/profit on ordinary activities before tax	<u>(8,153)</u>	<u>3,582</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 32% (2011 28%)	(2,146)	1,003
Expenses not deductible for tax purposes	46	9
Decelerated/(Accelerated) capital allowances	-	(8)
Other short term timing differences	(16)	(111)
Adjustments to tax charge in respect of previous periods	<u>20</u>	<u>45</u>
<b>Total current tax (credit)/charge</b>	<u>(2,096)</u>	<u>938</u>

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8 TANGIBLE FIXED ASSETS

	Equipment and vehicles £'000
<b>Cost</b>	
As at 1 February 2011	2,533
Additions	567
Intra-group transfers	263
Disposals	(209)
<b>As at 31 January 2012</b>	<b>3,154</b>
<b>Depreciation</b>	
As at 1 February 2011	1,751
Charge for the year	442
Intra-group transfers	93
Disposals	(209)
<b>As at 31 January 2012</b>	<b>2,077</b>
<b>Net book value</b>	
<b>As at 31 January 2012</b>	<b>1,077</b>
As at 1 February 2011	782

Equipment and vehicles include the following assets held under finance leases

	2012 £'000	2011 £'000
Cost	719	558
Accumulated depreciation	(359)	(314)
<b>Net book value</b>	<b>360</b>	<b>244</b>

### 9 STOCK

	2012 £'000	2011 £'000
Work in progress	1,335	1,240
Finished goods and goods for resale	1,207	5,854
	<b>2,542</b>	<b>7,094</b>

### 10 DEBTORS

	2012 £'000	2011 £'000
<b>Amounts receivable within one year</b>		
Trade debtors	6,800	7,185
Amounts owed by group undertakings	5,454	1,190
Other debtors	14	15
Prepayments and accrued income	341	250
	<b>12,609</b>	<b>8,640</b>
<b>Amounts receivable after more than one year</b>		
Deferred tax (see note 15)	172	204
	<b>12,781</b>	<b>8,844</b>

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

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2012	2011
	£'000	£'000
Bank loans and overdrafts	1	1
Trade creditors	96	1
Amounts owed to group undertakings	3,786	8,722
Other taxes and social security	535	648
Other creditors	1,515	993
Accruals and deferred income	5,744	4,903
Obligations under finance leases and hire purchase contracts (see note 13)	167	72
	<u>11,844</u>	<u>15,340</u>

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

### 12 CREDITORS (amounts falling due after more than one year)

	2012	2011
	£'000	£'000
Obligations under finance leases and hire purchase contracts (see note 13)	<u>181</u>	<u>108</u>

### 13 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

	2012	2011
	£'000	£'000
Amounts due under finance leases and hire purchase contracts		
Amounts payable		
Within one year	167	72
In two to five years	181	108
	<u>348</u>	<u>180</u>

### 14 PROVISIONS FOR LIABILITIES

	Restructuring £'000
At 1 February 2011	-
Charge for the year	2,193
At 31 January 2012	<u>2,193</u>

The restructuring provision relates to the reorganisation of the Publishing business. It is anticipated that it will be substantially utilised within one year.

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15 DEFERRED TAXATION

Deferred tax assets comprise:

	2012 £'000	2011 £'000
<b>Timing differences on:</b>		
Decelerated capital allowances	118	126
Other short term timing differences	54	78
<b>Deferred tax (note 10)</b>	<b>172</b>	<b>204</b>

	£'000
Deferred tax asset at 1 February 2011	204
Charge to the profit and loss account	(33)
<b>Deferred tax asset at 31 January 2012</b>	<b>172</b>

Legislation was introduced in the Finance Act 2011 to reduce the main rate of corporation tax from 26% to 25% with effect from 1 April 2012. The effect of this reduction is reflected in the deferred tax asset recorded on the balance sheet. Since the balance sheet date, the UK government has substantively enacted new legislation to reduce the corporation tax rate further to 24% with effect from 1 April 2012 and announced its intent to legislate to reduce the rate further by 1% per annum to 22% with effect from 1 April 2014.

The directors estimate that the effect of these changes will reduce the Company's deferred tax asset by £18,000.

### 16 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
<b>Allotted, called up and fully paid</b>		
4 ordinary shares of £1 each - At 31 January 2011	-	-
7,000,000 ordinary shares of £1 each issued in the year	7,000	-
7,000,004 ordinary shares of £1 each - At 31 January 2012	<b>7,000</b>	<b>-</b>

### 17 PROFIT AND LOSS ACCOUNT

	2012 £'000	2011 £'000
Opening balance	1,272	(1,118)
(Loss)/profit for the financial year	(6,089)	2,390
<b>Closing balance</b>	<b>(4,817)</b>	<b>1,272</b>

# AA MEDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Opening shareholders' funds	1,272	(1,118)
Shares issued in the year	7,000	-
(Loss)/profit for the financial year	(6,089)	2,390
Closing shareholders' funds	<u>2,183</u>	<u>1,272</u>

### 19 GUARANTEES AND COMMITMENTS

#### Guarantees

The Company, along with certain of its fellow subsidiaries, acts as obligor on bank loans made to Acromas Mid Co Limited. At the balance sheet date the principal, accrued interest, guarantees and other facilities outstanding on these bank loans was £5,098.2 million (2011 £5,034.7 million).

#### Operating leases

Annual commitments under non-cancellable operating leases are as follows

	Motor vehicles	Motor vehicles
	2012	2011
	£'000	£'000
Operating leases which expire		
Within one year	55	95
In two to five years	49	29
	<u>104</u>	<u>124</u>

At the year-end, the Company had capital commitments of £88,720 (2011 £nil) and no capital expenditure authorised but not yet committed.

### 20 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.

### 21 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.