AC-1459

AA Mutual International Insurance Company Limited

Accounts 31 December 1997
together with directors' and auditors' reports

Registered number: 1432586

Directors' report

For the year ended 31 December 1997

Financial Statements

The directors present their report and financial statements for the year ended 31 December 1997.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Principal activity and progress with the run-off

Since 4 December 1987, the Company has been in run-off and accordingly is no longer a going concern. Prior to that date, the Company was authorised to write all classes of general insurance business.

Market Run-Off Services Limited ('MRS') continue to act as agent for the run-off of the portfolio of business written for the Company by Winchester Fox & Company Limited ('WF').

The directors are constantly re-assessing the run-off of the Company in order to ensure that all creditors are treated equitably. To this end claims are reviewed and scrutinised regularly to ensure that only valid liabilities are accepted by the Company. In cases where there is doubt, steps are taken to ensure that the situation is clarified and rectified. As part of this process, the company actively negotiates commutations with interested creditors whereby the cedents are offered a cash settlement based on the cash availability in the Company.

The directors are of the view that by negotiating commutations, the outstanding liabilities of the Company will be reduced to less than their face value giving rise to an improvement in the capital base which should enable the Company to withstand any deterioration in liabilities that may arise in the forthcoming years.

Progress with the run-off (continued)
During the year under review the directors have assessed the time-bar status of all the claims that remained open as reinsurance inwards creditors as at 31 December 1997. In carrying out this assessment the reinsurance inwards ledger as at 31 December 1997 was fully analysed and a list of all policies on which there were unpaid creditors identified. The policy files were retrieved from the archives and a review was undertaken by a team of experienced claims technicians to establish the contract jurisdiction country, and in the case of the USA, the state for each policy. In addition the files were also reviewed to establish whether any communications had taken place that would 'stop' the time bar clock in respect of each unpaid creditor.

Having performed this analysis the time-barred reinsurance liabilities were calculated. This calculation was performed in compliance with established case law and a written legal opinion, obtained by MRS on behalf of the company, confirming that the approach taken by the directors was reasonable.

The above assessment resulted in a write-back of reinsurance inwards liabilities, established as being time-barred, amounting to £3,548,417. Time-bar analysis on remaining liabilities will continue on an ongoing basis. At the same time, it has been considered prudent to provide extensively against reinsurance debtor amounts. Furthermore, a provision for future run-off costs has been established. However, in the present uncertain insurance industry, it is not possible to guarantee that the company will run-off profitably.

The directors are mindful of the cost of correcting the accounting records of the original insurance transactions that were maintained by WF. Although no insurance business was written after 1986, and all communications from brokers and cedents are being processed by MRS and the accounting records are being updated, it is impossible to guarantee that all assets and liabilities have been accounted for and consequently that the accounting records are 100% correct.

In these circumstances, the directors recognise that it is not cost effective nor would it necessarily achieve anything for the Company's auditors to carry out an insurance debtors and creditors circularisation and certain other audit procedures that they might wish to undertake. Accordingly, they may not have obtained all the information and explanations that they would consider necessary in respect of the portfolio of business written for the Company by WF.

AA Mutual Insurance Association Limited
The liquidators of the short-term insurance business of AA Mutual Insurance Association Limited ('AAMA') are endeavouring to finalise the liquidation of AAMA and to pay the remaining funds to creditors. The Company submitted two claims to the liquidators amounting to £396,643 and £5,155,443. In addition, WF also submitted a claim of £334,309 on behalf of the Company giving rise to a total amount of £5,886,395.

Directors' report (continued)

AA Mutual Insurance Association Limited (continued)
All these claims have been admitted and the liquidators have paid dividends, based on the South African Rand equivalent at the date of the liquidation, amounting to 100%. It is anticipated a further dividend, of at least 30% of the SA Rand equivalent of the Company's claim will be paid, following which the liquidation will come to an end. The reason why the liquidators cannot finalise this matter relates to a dispute with the South African Receiver of Revenue who, notwithstanding the fact that they never lodged a claim in the liquidation, are claiming that, inter alia, the income accruing during the liquidation is subject to taxation. The matter was due to come to court in October 1998 but had to be postponed. It is expected that the matter will be heard in February 1999.

The balance sheet includes an amount of £846,719 (1996 : £846,719) in respect of this anticipated further dividend, which will effectively comprise interest and is shown after providing for the South African Receiver of Revenue's claim.

Results and dividends
The results for the year are shown in the profit and loss account on page 9.

The directors do not recommend the payment of a dividend.

Directors
The names of the directors of the Company during the year were:-

Mr P J Elliott
Mr B A Stiefel

Mr P J Elliott retires at the Annual General Meeting and offers himself for re-election.

Mr E J Kok was appointed a director on 3 June 1998. Mr B A Stiefel resigned on 4 September 1998.

Auditors
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the Company will be put to the Annual General Meeting.

This report was approved by the Board on 18 November 1998.

P J Elliott
Director

Hampden House
Great Missenden
Buckinghamshire HP16 9RD

BINDER HAMLYN

Andersen Worldwide

20 Old Bailey
London EC4M 7BH

Auditors' report

To the shareholders of AA Mutual International Insurance Company Limited

We have audited the financial statements on pages 9 to 17 which have been prepared on the basis of the accounting policies set out on pages 13 and 14 and on the basis that the Company is no longer a going concern but has been in run-off since 4 December 1987.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 whether the accounting policies are appropriate for the company's circumstances, consistently applied and adequately disclosed.

We planned our audit in the knowledge that the Company has been in run-off since 4 December 1987 and, as explained in note 1, that proper accounting records of the original insurance transactions had not been kept by Winchester Fox & Company Limited ("Winchester Fox"), the company's former underwriting agent. Except for the limitation in evidence available to us for these matters, we sought to obtain all other 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

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Auditors' report (continued)

Limitation in scope in respect of matters relating to Winchester Fox

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the run-off of the portfolio of insurance business written for the Company by Winchester Fox. Note 1 explains that the Company has appointed an agent to run off this portfolio of insurance business and also to update and correct the accounting records in respect of it. The following matters arise on account of the limitation in evidence available to us:

(a) Debtors and creditors arising out of reinsurance operations and adjustments thereto

We are unable to obtain independent confirmation of the debtor and creditor balances arising out of reinsurance operations. Debtors of £200,000 (1996: £1,440,206) and creditors of £3,223,280 (1996: £7,212,245) shown in the balance sheet as arising out of reinsurance operations include £135,811 (1996: £1,378,574) and £3,221,485 (1996: £7,210,450) respectively in respect of balances arising from business written by Winchester Fox.

Until such time as all insurance balances have been confirmed we are unable to assess whether the net debit of £276,688 (1996: £68,292) to the profit and loss account arising from adjustments to debtors and creditors arising out of reinsurance operations is correctly stated.

(b) Technical provisions

Gross technical provisions for claims outstanding of £2,346,932 (1996: £2,937,704) and the reinsurers' share of technical provisions of £868,008 (1996: £1,355,045) include £2,099,387 (1996: £2,541,164) and £649,529 (1996: £1,137,745) respectively in respect of claims arising from business written by Winchester Fox.

We are unable to confirm the adequacy of these amounts since it is not possible to establish whether provisions for claims released in prior years will be required or to quantify the extent to which amounts which will become due from reinsurers will be recoverable.

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Auditors' report (continued)

Fundamental uncertainties in respect of matters relating to Winchester Fox

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the run-off of the portfolio of insurance business written for the company by Winchester Fox. Note 1 explains that the company has appointed an agent to run off this portfolio of insurance business and also to update and correct the accounting records in respect of it. The following fundamental uncertainties arise in respect of matters relating to Winchester Fox:

(a) Time-barred reinsurance liabilities

As explained in Note 2, the technical account includes a credit of £3,548,417 (1996: £nil) that relates to the write back of reinsurance creditors. Due to the fact that the legal opinion obtained by the directors does not cover reinsurance creditors written back amounting to £520,374 (1996: £nil) in respect of policies subject to jurisdictions outside England and Wales and the inherent uncertainties in the legal process, it is impossible to confirm whether the release of £3,548,417 (1996: £nil) to the technical account is correctly stated unless all the creditors involved have their claims subsequently denied by the courts.

(b) Provision for doubtful debts

We are unable to assess the adequacy of a provision of £1,083,870 (1996: £447,921) in respect of the possible non-recovery of amounts due from reinsurers since it is not possible to quantify with reasonable certainty the extent to which further provisions may be required.

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Auditors' report (continued)

Other fundamental uncertainties

In forming our opinion, we have also considered the adequacy of the disclosures made in the financial statements concerning other fundamental uncertainties. These are:

(a) *Further dividend from AA Mutual Insurance Association Limited ('AAMA')*

As explained in note 4, the short term insurance business of AAMA, a major reinsurer of the company, was placed in liquidation on 24 June 1986. The liquidators have admitted the company's claims in respect of which dividends equivalent to 100% have been received subject to exchange movements. The South African Receiver of Revenue has claimed an interest in the residual funds held by the liquidators. This matter is the subject of litigation in South Africa and is preventing the liquidators from submitting further distribution proposals. Included in the balance sheet is an anticipated dividend of £846,719 (1996: £846,719) equivalent to approximately 30% of admitted claims which effectively comprises interest and is shown after providing for the South African Receiver of Revenue's claim. In these circumstances, we are unable to obtain independent confirmation of the amount and recoverability of the anticipated dividend included in these financial statements.

(b) *Provision for future claims handling costs*

As explained in note 3d, the directors are preparing an updated run-off plan. Until such time as this plan has been completed we are unable to assess the adequacy of the provision of £1,200,000 (1996: £nil) for future claims handling costs.

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Auditors' report (continued)

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us and in particular until such time as the run-off agent has completed the reconstruction of the insurance accounting records:

(a) we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its profit for the year then ended; and

(b) we are unable to form an opinion as to whether the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the Winchester Fox portfolio business:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained in respect of the Winchester Fox portfolio of business.

Binder Hamlyn

Chartered Accountants and Registered Auditors

18 November 1998

Profit and loss account

For the year ended 31 December 1997

	Note	1997 £	1996 £
Technical Account-General Business			
Wholly attributable to reinsurance operations			
Adjustments to gross premiums		(14,339)	8,349
Adjustments to outward reinsurance premiums		4,255	16,982
Earned/(refund of earned) premiums, net of reinsurance		(18,594)	(8,633)
Gross claims paid or processed		563,647	1,090,013
Reinsurers' share		(300,002)	(240,578)
Net claims paid or processed		263,645	849,435
Gross change in the provision for claims		(624,319)	(3,024,590)
Reinsurers share		488,221	2,148,374
Net reduction in the provision for claims		(136,098)	(876,216)
Reduction in claims incurred net of reinsurance		127,547	(26,781)
Administrative expenses	5	828,742	891,555
Items arising from the run-off of the WF portfolio of business		276,681	68,292
Time-barred reinsurance liabilities	2	(3,548,417)	-
Provision for future claims handling costs		1,200,000	-
Increase/(decrease) in provision for doubtful debts		883,870	(100,000)
Revaluation of AAMA receivables		-	(73,437)
Increase in amount anticipated from liquidators of AAMA		-	(493,920)
Sundry expenses		-	(25,082)
Total technical charges		(231,577)	240,627
Profit/(loss) on the technical account		212,983	(249,260)
Non-technical account			
Profit/(loss) on the technical account		212,983	(249,260)
Investment income: Bank interest		343,672	355,546
Exchange movements		(35,077)	(101,548)
Loss on disposal of subsidiary undertaking	6	(465,525)	-
Profit on ordinary activities before taxation		56,053	4,738
Tax on ordinary activities		-	-
Profit on ordinary activities after taxation		56,053	4,738
Retained loss brought forward		(4,314,947)	(4,319,685)
Retained loss carried forward		(4,258,894)	(4,314,947)

All operating income and expenditure is derived from run-off activities (note 1).

There are no recognised gains or losses other than those reported in the profit and loss account.

Balance sheet

31 December 1997

	Notes	1997 £	1996 £
Assets			
Investments			
Other financial investments		5,378,165	5,949,424
Reinsurers' share of technical provisions			
Claims outstanding		868,008	1,355,045
Debtors			
Debtors arising out of reinsurance operations		200,000	1,440,206
Other debtors		965,075	1,801,620
		1,165,075	3,241,826
Other assets			
Cash at bank and in hand		218,616	323,798
Total assets		7,629,864	10,870,093
Liabilities			
Capital and reserves			
Called up share capital	7	4,750,000	4,750,000
Profit and loss account - retained loss		(4,258,894)	(4,314,947)
Shareholders' funds attributable to equity interests	8	491,106	435,053
Technical provisions			
Claims outstanding : Gross amount		2,346,932	2,937,704
Provision for future claims handling costs		1,200,000	-
		3,546,932	2,937,704
Creditors			
Creditors arising out of reinsurance operations		3,223,280	7,212,245
Other creditors including taxation and social security		368,546	285,091
		3,591,826	7,497,336
Total liabilities		7,629,864	10,870,093

The financial statements on pages 9 to 17 were approved by the Board on 18 November 1998

P J Elliott
Director

Cash flow statement

31 December 1997

	Notes	1997 £	1996 £
Net cash (outflow) from operating activities	9	(1,209,623)	(1,752,875)
Returns on investment and servicing of finance			
Interest received		343,672	355,546
		(865,951)	(1,397,329)
Taxation			
UK taxation paid		-	-
Management of Liquid Resources			
Cash withdrawn from deposits		754,583	1,533,382
Financing		-	-
(Decrease)/increase in cash	10	(111,638)	136,053

Notes to the financial statements
31 December 1997

1 Progress with the run-off

Since 4 December 1987, the Company has been in run-off and accordingly is no longer a going concern. Prior to that date, the Company was authorised to write all classes of general insurance business.

Winchester Fox & Company Limited ('WF') was the Company's main underwriting agent and accepted insurance business on its behalf under an underwriting agency agreement dated 10 July 1980. This agreement remained in place until 31 December 1984 when authority to accept insurance business was limited to aviation business only. The agency agreement was terminated with effect from 31 December 1986.

Market Run-off Services Limited ('MRS') were appointed on 1 October 1988 and continue to act as agent for the run-off of the portfolio of business written for the company by WF. The directors believe that proper accounting records of the original insurance transactions were not kept by WF and are mindful of the costs of correcting them. Although no insurance business was written after 1986, and all communications from brokers and cedents are being processed by MRS who are correcting and updating the accounting records of the Company, it is impossible to guarantee that all assets and liabilities have been accounted for and consequently that the accounting records are 100% correct.

In these circumstances the directors recognise that it is not cost effective, nor would it necessarily achieve anything, for the Company's auditors to carry out an insurance debtors and creditors circularisation and certain other audit procedures that they might wish to undertake and accordingly they may not have obtained all the information and explanations that they would consider necessary in respect of the portfolio of business written for the Company by WF.

The directors are constantly reassessing the run-off of the Company in order to ensure that all creditors are treated equitably. To this end claims are reviewed and scrutinised to ensure that only valid liabilities are accepted by the Company. In cases where there is doubt, steps are taken to ensure that the situation is clarified and rectified. As part of this process, the directors are actively negotiating commutations with interested creditors whereby the cedents are offered a cash settlement based on the cash availability in the Company. The directors are of the view that by negotiating commutations, the outstanding liabilities of the Company will be reduced to less than their face value giving rise to an improvement in the capital base which should enable the Company to withstand any deterioration in liabilities that may arise in forthcoming years.

As detailed in note 2, the directors have assessed the time-bar status of all the creditors that remained open on reinsurance inwards creditors as at 31 December 1997. At the same time, it has been considered prudent to provide extensively against reinsurance debtor amounts. Furthermore, a provision for future run-off costs has been established. However in the present uncertain insurance industry it is not possible to guarantee that the company will run off profitably.

2 Time-barred creditors

During the year, the directors have assessed the time bar status of all creditors that were outstanding on the reassurance inwards ledger as at 31 December 1997 with the objective of identifying all time-barred creditors. Time-barred creditors are those that have been outstanding for a sufficient period, with no acknowledgement of liability by the company, that the creditor's debt is no longer actionable.

In carrying out this assessment the reinsurance inwards ledger as at 31 December 1997 was fully analysed and a list of all policies on which there were unpaid creditors identified. The policy files were retrieved from the archives and a review was undertaken by a team of experienced claims technicians to establish the contract jurisdiction country, and in the case of the USA, the state for each policy. In addition the files were also reviewed to establish whether any communications had taken place that would 'stop' the time bar clock in respect of each unpaid creditor.

Having performed this analysis the time-barred reinsurance liabilities were calculated. This calculation was performed in compliance with established case law and a written legal opinion obtained by MRS on behalf of the company, confirming that the approach taken by the directors was reasonable.

The above assessment resulted in a write-back of reinsurance inwards liabilities, established as being time-barred, amounting to £3,548,417. Time-bar analysis on remaining liabilities will continue on an ongoing basis.

3 Accounting policies

a) Accounting convention

The financial statements have been prepared on a run-off basis under the historical cost convention and in accordance with applicable accounting standards.

b) Disclosure requirements

The financial statements have been prepared in accordance with the provisions of Section 255 of and Schedule 9A to the Companies Act 1985.

c) Technical provisions

The directors assess the adequacy of the technical provisions on an annual basis by reference to the estimated future cost of each claim notified. As the company is in its 11th year of run-off the directors believe there is no need for the company to carry any provision for incurred but not reported claims ('IBNR') in respect of the Winchester Fox portfolio of business.

d) Provision for future claims handling costs

The directors are preparing an updated run-off plan for the company and have made provision for future claims handling costs, net of anticipated investment income.

e) Foreign currencies

Assets and liabilities expressed in currencies other than sterling are translated to sterling at rates of exchange ruling at the year end, whilst revenue transactions are translated to sterling mainly at rates of exchange ruling at the year end.

Realised and unrealised currency gains and losses are included in the non-technical profit and loss account.

Notes to the financial statements (continued)

3 Accounting policies (continued)

f) Debtors and creditors arising from reinsurance operations

The balance sheet reflects the amounts due to or from the Company in respect of reinsurance operations rather than the net amounts due from or to brokers.

4 AA Mutual Insurance Association Limited

On 24 June 1986, the short-term insurance business of AA Mutual Insurance Association Limited ('AAMA'), the Company's major reinsurer, was placed in liquidation. When computing the value of claims to be admitted, the liquidators were required, under the terms of the judgement of the Supreme Court of South Africa, to convert all claims denominated in currencies other than South African Rand at the commercial rates of exchange ruling on 24 June 1986.

The Company has submitted claims amounting in total to £5,886,395 which have been admitted and paid by the liquidators, subject to exchange movements. In addition, the liquidators have indicated they have residual funds available for distribution. The reason why the liquidators cannot finalise this matter relates to a dispute with the South African Receiver of Revenue who, notwithstanding the fact that they never lodged a claim in the liquidation, are claiming that, inter alia, the income accruing during the liquidation is subject to taxation. The matter was due to come to court in October 1998 but had to be postponed. It is expected the matter will be heard in February 1999.

'Other debtors' in the balance sheet includes an amount of £846,719 (1996: £846,719) in respect of an anticipated dividend, being approximately 30% of the SA Rand equivalent of the Company's total claim which effectively comprises interest and is shown after providing for the South African Receiver of Revenue's claim.

5 Administrative expenses

	1997 £	1996 £
Administrative expenses include the following items, including attributable irrecoverable VAT:		
Auditors' remuneration:		
- in respect of audit services	51,700	43,475
- in respect of non audit services	11,273	25,562
Fees charged by run-off agent	419,751	454,733
The emoluments of the directors, were as follows:		
Fees paid in respect of directors' services	5,907	5,510

Notes to the financial statements (continued)

5 Administrative expenses (continued)

Employees

The average weekly number of persons (including executive directors) employed by the company during the year was 2 (1996: 2). The employment costs were:

	1997	1996
Wages and salaries	66,903	64,531
Social security costs	6,434	6,120
	73,337	70,651

6 Loss on disposal of subsidiary undertakings

On 25 February 1988 the company's subsidiary undertakings were disposed of for a consideration of £393,980 of which £375,000 remained outstanding at 31 December 1996, together with an amount of £115,525 due by one of the subsidiary undertakings in respect of group relief. These matters were the subject of litigation which was concluded in June 1998 with a loss to the company of £465,525.

7 Share capital

	Authorised 1997 and 1996 £	Called up 1997 and 1996 £
Ordinary shares of £1 each	5,000,000	4,750,000

8 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
1 January	435,053	430,315
Retained profit for the year	56,053	4,738
31 December	491,106	435,053

Notes to the financial statements (continued)

9 Reconciliation of operating profit to net cash outflow from operating activities

	1997 £	1996 £
Profit on ordinary activities before taxation	56,053	4,738
Less bank interest	(343,672)	(355,546)
Increase/(decrease) in net technical provisions	1,096,265	(1,025,955)
Decrease in creditors	(3,905,510)	(2,075,970)
Decrease in debtors	2,076,751	2,239,146
Exchange rate adjustment on cash and investments	(189,510)	(539,288)
Net cash outflow from operating activities	(1,209,623)	(1,752,875)

10 Movement in cash, portfolio investments and financing

	At 1 January 1997	Cashflow	Changes to market value and currencies	Other changes	At 31 December 1997
Cash in hand and at bank	323,798	(111,368)	6,186	-	218,616
Cash deposits	5,949,424	(754,583)	183,324	-	5,378,165
	6,273,222	(865,951)	189,510	-	5,596,781

11 Capital Commitments

There were no capital commitments at 31 December 1997 or 31 December 1996.

12 Letters of credit

WF provided letters of credit to certain insurers or their agents and treated such transactions as settled claims. The Company's balance sheet includes within debtors arising out of reinsurance operations the cash collateral in respect of letters of credit amounting to £24,833 (1996: £34,090). The liabilities in respect of these letters of credit are included within technical provisions.

13 Contingent liabilities

On 6 February 1991 a fixed and floating charge was executed in favour of Barclays Bank plc in respect of a £50,000 letter of credit in favour of the London Insurance and Reinsurance Market Association ('LIRMA'). The £50,000 cash collateral is included in other debtors.

14 Related parties

Mr BA Stiefel and a trust in which members of his family are beneficiaries have a controlling interest in Meridian Corporate Services Limited, which has provided the Company with office accommodation and secretarial services from 1 April 1991. These services have been provided at a cost of £5,875 (1996: £22,294) including VAT which the directors believe to be on a proper commercial basis. This arrangement was terminated on 30 September 1998.

Notes to the financial statements (continued)

15 Parent undertakings

The directors regard AAMI Holdings (Pty) Limited, a company incorporated in the Republic of South Africa, as the Company's ultimate parent undertaking.

AAM Holdings Limited, incorporated in England and Wales, is the parent undertaking of the largest and the smallest UK group of which the Company is a member and for which group accounts are drawn up in the UK. Copies of the UK group accounts are available from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.