

**THE AUTOMOBILE ASSOCIATION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

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COMPANIES HOUSE

Registered number: 00073356

# **THE AUTOMOBILE ASSOCIATION LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2021**

The directors present their annual report and financial statements of The Automobile Association Limited ("the Company") for the year ended 31 January 2021.

#### **PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Company is a wholly owned subsidiary of AA Corporation Limited.

The Company did not trade during the current or preceding year and has made neither profit nor loss, nor any other recognised gain or loss. Formerly, the principal activity of the Company was the management of onerous property transactions.

The directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the Company.

The COVID-19 pandemic has caused significant disruption across the globe. The impact on society has been reflected in business closures, restrictions on movement, home working and cancellations of sporting and other events, leading to an economic downturn.

Despite the resultant volatility in financial markets, the Company remains in a robust position and management have assessed that this will continue to be the case.

#### **RISK MANAGEMENT FRAMEWORK**

The Company is part of the AA Limited group ("the 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 and uncertainties facing the Company are considered to be:

##### **COVID-19**

The COVID-19 pandemic continues to have material impact within the UK and internationally. We continue to monitor our activities to ensure that the risks and issues posed by COVID-19 on the business are appropriately addressed and to mitigate the significant uncertainty ahead.

##### **Financial Risk**

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 Company is an obligor of the financial indebtedness of the AA Intermediate Co Limited group which ringfences its debt within a whole business securitisation (WBS) structure. AA Intermediate Co Limited is a parent undertaking of the Company and part of the AA Limited group. The viability and financial success of the Company is therefore tied to the viability and financial success of the AA Intermediate Co Limited group.

##### **Credit Risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk in relation to the intercompany balance due from a fellow subsidiary undertaking. The AA Limited group monitors the recoverability of intercompany balances to ensure that there are sufficient resources to meet each counterparty's obligation.

# **THE AUTOMOBILE ASSOCIATION LIMITED**

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

### **FOR THE YEAR ENDED 31 JANUARY 2021**

#### **DIRECTORS**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

M Neville	
M Strickland	(Resigned 13 February 2020)
K Dangerfield	(Resigned 12 November 2021)
T Mackay	(Appointed 15 November 2021)

#### **COMPANY SECRETARY**

N Hoosen	(Resigned 31 May 2021)
Mourant Secretaries (Jersey) Limited	

#### **DIVIDENDS**

The Company has not paid a dividend in the year (2020: £nil) and the directors do not propose the payment of a final dividend (2020: £nil).

#### **GOING CONCERN**

The Company's business activities and its exposure to financial risk are described in the business review and risk management framework sections on page 1.

The directors believe that the Company has adequate financial resources due to the available cash resources of the AA Limited group which can be drawn upon. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **THE AUTOMOBILE ASSOCIATION LIMITED**

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

**FOR THE YEAR ENDED 31 JANUARY 2021**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey law and United Kingdom Accounting Standards, 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law, 1991. 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.

### **DIRECTORS' 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. This is a qualifying third-party indemnity provision and was in force throughout the financial year and at the date of approval of the financial statements.

ON BEHALF OF THE BOARD



M NEVILLE  
DIRECTOR

19 November 2021

Registered Office: 22 Grenville Street, St Helier, Jersey, JE4 8PX  
Registered Number: 00073356

**THE AUTOMOBILE ASSOCIATION LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 JANUARY 2021**

There is no income and expenditure passing through the income statement during the year (2020: £nil).

There is no other comprehensive income, therefore no separate statement of comprehensive income is presented.

# THE AUTOMOBILE ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY

	Notes	2021 £m	2020 £m
<b>CURRENT ASSETS</b>			
Trade and other receivables	3	<u>1,361.4</u>	<u>1,361.4</u>
<b>TOTAL ASSETS</b>		<u>1,361.4</u>	<u>1,361.4</u>
<b>NET ASSETS</b>		<u>1,361.4</u>	<u>1,361.4</u>
<b>EQUITY</b>			
Called up share capital	4	0.1	0.1
Retained earnings		1,288.4	1,288.4
Capital contribution reserve		<u>72.9</u>	<u>72.9</u>
<b>TOTAL EQUITY</b>		<u>1,361.4</u>	<u>1,361.4</u>

These financial statements were approved by the board of directors and signed on its behalf by:



M NEVILLE  
DIRECTOR

19 November 2021

The accompanying notes are an integral part of this statement of financial position.

# THE AUTOMOBILE ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 JANUARY

	Share capital	Retained earnings	Capital contribution reserve	Total
	£m	£m	£m	£m
At 1 February 2019	0.1	1,288.4	72.9	1,361.4
Result for the year	-	-	-	-
<b>At 31 January 2020</b>	<b>0.1</b>	<b>1,288.4</b>	<b>72.9</b>	<b>1,361.4</b>
Result for the year	-	-	-	-
<b>At 31 January 2021</b>	<b>0.1</b>	<b>1,288.4</b>	<b>72.9</b>	<b>1,361.4</b>

The accompanying notes are an integral part of this statement of changes in equity.

# THE AUTOMOBILE ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 PRESENTATION OF FINANCIAL STATEMENTS

The Automobile Association Limited is incorporated and domiciled in Jersey.

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.

The financial statements are prepared in Sterling and are rounded to the nearest £0.1m.

### 2 ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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),
- IAS 1 paragraphs 134-136 (capital management disclosures),
- IFRS 7 'Financial Instruments Disclosures',
- IAS 7 'Statement of cash flows',
- IAS 8 paragraphs 30 and 31 (IFRS issued but are not yet effective),
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group,
- IFRS 13 'Fair Value Measurement',
- IAS 24 'Related party disclosures' (key management compensation).

The Company did not identify any new accounting standards coming into effect in the current year with a material impact on the financial statements.

#### 2.2 Critical accounting estimates and judgements

Management have exercised judgement in applying the Company's accounting policies and in making critical estimates. The principle judgements involving a higher degree of judgement and complexity, where the assumptions and estimates are significant to the financial statements relates to the assessment of credit loss allowances for intercompany receivables which requires judgement to assess the collectability of intercompany balances.

#### 2.3 Significant accounting policies

##### Trade receivables

##### *Trade and other receivables*

Trade and other receivables are amounts due from fellow subsidiary undertakings of the AA Limited group. They are generally due for settlement on demand and are therefore all classified as current. They are recognised at fair value and are subsequently held at amortised cost. The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) which uses a lifetime expected loss allowance for all receivables.

# THE AUTOMOBILE ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 TRADE AND OTHER RECEIVABLES

	2021 £m	2020 £m
Amounts owed by group undertakings	1,360.9	1,360.9
Other receivables	0.5	0.5
	<u>1,361.4</u>	<u>1,361.4</u>

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

### 4 CALLED UP SHARE CAPITAL

	2021 £m	2020 £m
<b>Allotted, called up and fully paid</b>		
50,000 (2020: 50,000) ordinary shares of £1 each	<u>0.1</u>	<u>0.1</u>

The Company has 50,000 authorised shares of £1 each.

### 5 GUARANTEES AND COMMITMENTS

#### Cross company guarantees

The Company is an obligor to the bank loans and bond debt of the AA Intermediate Co Limited group. At 31 January 2021, the principal outstanding on the AA Intermediate Co Limited group debt was £2,766.7m (2020: £2,767.0m).

The covenants governing the bank loans and bond debt of the AA Intermediate Co Limited group place restrictions on the group's ability to distribute cash from the key trading companies to pay external dividends and finance activities unconstrained by the restrictions embedded in the debts. We do not anticipate the bank loans or bond debt being called upon in the 12 months after the signing of these financial statements.

### 6 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary of AA Corporation Limited, a Company registered in England and Wales, UK and a wholly owned indirect subsidiary of AA Intermediate Co Limited.

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

Copies of the consolidated AA Limited and AA Intermediate Co Limited financial statements are available from the website [www.theaacorporate.com/investors](http://www.theaacorporate.com/investors).

### 7 EVENTS AFTER THE REPORTING PERIOD

On 9 March 2021, the Company's ultimate controlling party and parent undertaking, AA Limited (previously AA plc), was acquired by Basing Bidco Limited, a company controlled by TowerBrook Capital Partners (U.K.) LLP and Warburg Pincus International LLC (together, 'the Consortium'). AA Limited's ordinary shares were de-listed from the London Stock Exchange on 10 March 2021. AA Limited was re-registered as a private company on 17 March 2021. A number of new holding companies were incorporated above Basing Bidco Limited and the ultimate parent undertaking of the Company became Basing Consortiumco Limited.

5. EVENTS AFTER THE REPORTING PERIOD

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## 2. ULTIMATE PARENT UNDERLYING AND ULTIMATE CONTROL THE PARENT

Justicialistas president-elect Menem, who took office in July 1995, has been able to bring the economy back to a growth rate of 4.5% and to reduce inflation to 1.5% in 1996. The economy is still recovering from the effects of the 1995 recession, but the government has managed to bring the economy back to a growth rate of 4.5% and to reduce inflation to 1.5% in 1996. The economy is still recovering from the effects of the 1995 recession, but the government has managed to bring the economy back to a growth rate of 4.5% and to reduce inflation to 1.5% in 1996.

## 2 GENERALITIES AND COMMITMENTS

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#### 4 CALLED UP SHARE CABILITY

ALTERNATE COURSE BY GROUPS AND INDIVIDUALS. VARIOUS UP RECOMMENDATIONS TO BE MADE FOR

Official Receipts	1394	1394
Yieldage 2.15% per barrel	02	02
	12600	12600

### 3 TRADE AND OTHER RECEIVABLES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

THE AUTOMOBILE ASSOCIATION LIMITED