

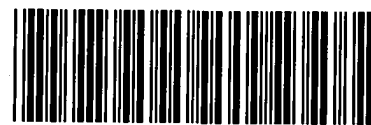
DON'T  
STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form to  
an alteration of manner of  
with accounting requirements

WEDNESDAY



\*ACEESYPF\*

A08

18/10/2023

#383

COMPANIES HOUSE

**Part 1 Corporate company name**Corporate name of  
overseas company ①

The Automobile Association Limited

UK establishment  
number

B R 0 0 4 8 7 5

→ **Filling in this form**Please complete in typescript or in  
bold black capitals.All fields are mandatory unless  
specified or indicated by \*① This is the name of the company in  
its home state.**Part 2 Statement of details of parent law and other  
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

COMPANIES (JERSEY) LAW 1991

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ **No. Go to Section A3.**☒ **Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.**Name of organisation  
or body ③

FINANCIAL REPORTING STANDARD 101 ("FRS101")

③ Please insert the name of the  
appropriate accounting organisation  
or body.

# OS AA01

## Statement of details of parent law and other information for an overseas company

<b>A3</b>	<b>Audited accounts</b>	
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to <b>Part 3 'Signature'</b>.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b>.</p>	<p>❶ Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ❶	FINANCIAL REPORTING COUNCIL	

### Part 3

### Signature

	I am signing this form on behalf of the overseas company.	
Signature	<p>Signature</p> <p>X      Z L      X</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

# OS AA01

## Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



### Important information

Please note that all this information will appear on the public record.



### Where to send

You may return this form to any Companies House address:

#### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

#### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



### Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**THE AUTOMOBILE ASSOCIATION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

**Registered number: 00073356**

# THE AUTOMOBILE ASSOCIATION LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their annual report and financial statements of The Automobile Association Limited ("the Company") for the year ended 31 January 2023.

#### 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. 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.

Despite a challenging macroeconomic environment, the Company remains in a resilient position to continue to perform its primary activity and management have assessed that this will continue to be the case.

#### RISK MANAGEMENT FRAMEWORK

##### Overall Responsibility

The Company is part of the AA Limited group, the ultimate parent of which was Basing Consortium Co Limited during FY23. Decisions, policies and procedures that may affect stakeholders were implemented at The AA Limited group level during the year and the Board oversees the application of these to the Company. The Board recognises that the Company's stakeholders include those that interact with the Company directly, in addition to those with indirect relationships in the context of the wider AA Limited group. Further information about the corporate governance arrangements for the AA is set out in the Director's Report on pages 46-51 of the AA Limited Annual Report and Accounts 2023.

The principal risks faced by the AA over the last year are summarised below. We monitor and assess these risks very closely to ensure they are managed appropriately and effectively. Principal risks and opportunities are defined as the risks and opportunities that are likely to have a material impact on the AA's business strategy.

##### Risk Governance

The AA operates a three lines of defence model to ensure that its risks and opportunities are identified, assessed, monitored and managed in line with its stated risk appetite.

The three lines of defence model can be summarised as follows:

- First line of defence: the business units that run the business, they are accountable for the day-to-day management of the AA, which includes identifying and managing their risks.
- Second line of defence: the AA's Group Risk and Compliance function, they are accountable for providing oversight, challenge and advice to the first line.
- Third line of defence: the AA's Internal Audit function, they are accountable for providing assurance to the business by performing independent reviews of the first and second lines of defence.

The AA's risk management framework aims to ensure that:

- risks are made visible
- risks are discussed and understood
- risks are owned and managed
- appropriate action is taken
- risks are used for opportunities
- we learn from our risk-taking

# THE AUTOMOBILE ASSOCIATION LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2023 (continued)

### RISK MANAGEMENT FRAMEWORK (continued)

The risk management framework is comprised of the five pillars set out below.

<b>Risk culture and governance</b>	The processes and structures to demonstrate to the AA Limited Board that effective risk management, oversight and assurance is being undertaken for all key risks faced by the AA.
<b>Strategy and objectives</b>	The process to ensure that risk is considered as part of strategy and objectives, including the direction it sets for taking, avoiding and considering opportunity from risk.
<b>Risk identification and prioritisation</b>	A set of key risk categories to identify where the AA has, or is likely to have, material risk exposures and the activities we perform to prioritise our actions.
<b>Risk management and controls</b>	A set of processes to review and assess the risk and control environment. Risks are assessed on an inherent (no controls), residual (with controls) and target basis to help senior management understand and manage their risk exposures.
<b>Risk reporting and communication</b>	The information and reporting in place to support senior management in discharging their risk management accountabilities effectively and to help them make informed, risk-based decisions.

The principal risks and uncertainties facing the Company are considered to be:

#### **Financial risk**

The risk that the Group has insufficient liquid funds required for the business to operate, is unable to refinance its maturing debt, or unable to do this at affordable cost.

The ability to finance is critical to the ongoing existence and operation of the Group. Credit rating, stakeholder management, financial market conditions and interest rates are all important factors. In particular, financing costs have increased as a result of rising interest rates as the economy sees higher levels of inflation.

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. For more detail see the going concern section of Note 1.

Despite a challenging macroeconomic environment, the AA Limited Group has completed successful refinancing of its A6 and A7 Notes, issuing £250m of A10 Notes in FY23 and £400m of A11 Notes plus a further £135m of A10 Notes in FY24. In August 2023 £61m of A2 Notes were also repurchased and cancelled using £60m cash. The Group continues to seek to refinance bonds well ahead of their maturity dates. The Group has a Working Capital Facility of £56m, of which £46m is available for cash drawings allowing it to withstand such macroeconomic challenges.

#### **Credit risk**

The Company is exposed to credit risk in relation to the intercompany balance due from a fellow subsidiary undertaking.

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 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**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2023 (continued)**

**RISK MANAGEMENT FRAMEWORK (continued)**

***Macroeconomic risks***

The risk that uncertain macroeconomic conditions may affect the Company's prospects. Economic uncertainty is expected to remain high as a result of the geopolitical risks arising from the Russian war on Ukraine and the UK's long term macroeconomic outlook. The AA continues to monitor financial markets and the external environment.

ON BEHALF OF THE BOARD



M NEVILLE

DIRECTOR

12 OCTOBER 2023

Registered Office: 3<sup>rd</sup> Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

# **THE AUTOMOBILE ASSOCIATION LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2023 (continued)**

### **DIRECTORS**

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

M Neville

T Mackay

### **COMPANY SECRETARY**

Ogier Global Company Secretary (Jersey) Ltd

### **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 annual report and financial statements.

### **DIVIDENDS**

The Company has not paid a dividend in the year (2022: £nil) and the directors do not propose the payment of a final dividend (2022: £nil).

### **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' CONFIRMATIONS**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



# THE AUTOMOBILE ASSOCIATION LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2023 (continued)

### GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the "Principal activity, review of the business and future developments" and "Risk management framework" sections on page 1 and 3.

The Company has adequate financial resources due to the Company's own net current asset position. The Automobile Association Limited is a wholly owned subsidiary of the AA Limited group ("Group"), hence the going concern status of the Company is linked to the wider Group which provides the cash required to meet the scheduled debt interest payments and principal repayments. The Company Directors have reviewed projected cash flows of the Group for a period of at least one year from the date of signing of these financial statements and have concluded, with the AA Limited Directors, that the Company has sufficient funds to continue trading during this period and the foreseeable future.

The Group continues to seek to refinance its debt within good time of its scheduled maturity, including the refinancing of its A7 Notes which had a maturity date of 31 July 2024. As at the date of approval of these financial statements, the full £550m of A7 Notes have already been refinanced and £61m of A2 Notes have been repurchased and cancelled using £60m cash (see Note 7).

The Company Directors have reviewed the projected cash flows of the AA Limited group for a period of at least one year from the date of approval of these financial statements. The Company Directors have concluded, with the AA Limited Directors, that they have confidence that the Company and the AA Limited group will have sufficient funds to continue trading during this period and the foreseeable future and will be able to secure financing so as to be able to continue to meet its liabilities as they fall due. For more detail see page 50-51 of the AA Limited group's Annual Report. For the AA Limited group's longer-term viability, it remains a key assumption of its Directors that the AA Limited group continues to have ready access to public debt markets to enable its borrowings to be refinanced in due course. This is important to the Company, which has intercompany receivables from and payables to members of the AA Intermediate Co Limited group, where settlement is dependent on the wider Group's ability to refinance.

After making appropriate enquiries, the Company's Directors have, at the time of approving these financial statements, a reasonable expectation that the AA Limited group and the Company have adequate resources to continue in operational existence for the foreseeable future and, as a consequence, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

ON BEHALF OF THE BOARD



M NEVILLE

DIRECTOR

12 OCTOBER 2023

Registered Office: 3<sup>rd</sup> Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

**THE AUTOMOBILE ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2023**

	Notes	2023 £m	2022 £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>

There is no income and expenditure passing through the income statement during the year (2022: £nil).

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

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



M NEVILLE  
DIRECTOR  
12 OCTOBER 2023

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 2023**

	Share capital £m	Retained earnings £m	Capital contribution reserve £m	Total £m
At 31 January 2021	0.1	1,288.4	72.9	1,361.4
Result for the year	-	-	-	-
<b>At 31 January 2022</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 2023</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 financial statements are prepared in Sterling and are rounded to the nearest £0.1m.

#### GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the "Principal activity, review of the business and future developments" and "Risk management framework" sections on pages 1 to 3.

The Company has adequate financial resources due to the Company's own net current asset position. The Automobile Association is a wholly owned subsidiary of the AA Limited group ("Group"), hence the going concern status of the Company is linked to the wider Group which provides the cash required to meet the scheduled debt interest payments and principal repayments. The Company Directors have reviewed projected cash flows of the Group for a period of at least one year from the date of signing of these financial statements and have concluded, with the AA Limited Directors, that the Company has sufficient funds to continue trading during this period and the foreseeable future.

The Group continues to seek to refinance its debt within good time of its scheduled maturity, including the refinancing of its A7 Notes which had a maturity date of 31 July 2024. As at the date of approval of these financial statements, the full £550m of A7 Notes have already been refinanced and £61m of A2 Notes have been repurchased and cancelled using £60m cash (see Note 7).

The Company Directors have reviewed the projected cash flows of the AA Limited group for a period of at least one year from the date of approval of these financial statements. The Company Directors have concluded, with the AA Limited Directors, that they have confidence that the Company and the AA Limited group will have sufficient funds to continue trading during this period and the foreseeable future and will be able to secure financing so as to be able to continue to meet its liabilities as they fall due. For more detail see page 50-51 of the AA Limited group's Annual Report. For the AA Limited group's longer-term viability, it remains a key assumption of its Directors that the AA Limited group continues to have ready access to public debt markets to enable its borrowings to be refinanced in due course. This is important to the Company, which has intercompany receivables from and payables to members of the AA Intermediate Co Limited group, where settlement is dependent on the wider Group's ability to refinance.

After making appropriate enquiries, the Company's Directors have, at the time of approving these financial statements, a reasonable expectation that the AA Limited group and the Company have adequate resources to continue in operational existence for the foreseeable future and, as a consequence, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

### 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 AUTOMOBILE ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2 ACCOUNTING POLICIES (continued)

#### 2.1 Basis of preparation (continued)

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 principal judgements relates to the application of expected credit losses 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.

### 3 TRADE AND OTHER RECEIVABLES

	2023 £m	2022 £m
Amounts owed by group undertakings	1,361.4	1,361.4
	<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

	2023 £m	2022 £m
Allotted, called up and fully paid		
50,000 (2022: 50,000) ordinary shares of £1 each	0.1	0.1
	<u>0.1</u>	<u>0.1</u>

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

# THE AUTOMOBILE ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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 2023, the principal outstanding on the AA Intermediate Co Limited group debt was £2,325.0m (2022: £2,325.0m).

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 and the parent of the largest group to consolidate these financial statements is AA Limited, both of whose registered office is Fanum House, Basing View, Basingstoke, Hampshire, RG21 4EA.

At 31 January 2023, the ultimate controlling party and parent undertaking, was Basing Consortium Co Limited whose registered office is 3rd Floor 44 Esplanade, St Helier, Jersey, JE4 9WG.

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

### 7 EVENTS AFTER THE REPORTING PERIOD

#### A11 Loan Note Issue

On 6 February 2023 the AA Limited group issued £400m of Class A11 Notes at an interest rate of 8.45%. The proceeds of the issuance of the Class A11 Notes were used to redeem £308m of Class A7 Notes for a cash payment of £302m on 7 February 2023 tendered by existing note holders as part of a liability management exercise. The remaining surplus cash proceeds of £98m were transferred to a mandatory prepayment account to be held for redemption of Class A7 Notes. A further £10m of Class A7 Notes were purchased from existing bond holders on 3 March 2023 and redeemed. A further £103m of Class A7 Notes were voluntarily repaid on 16 May 2023 and redeemed using the £98m surplus and £5m of additional cash.

#### A10 Loan Note Issue

On 23 June 2023 the AA Limited group issued an additional £135m of Class A10 Notes at an interest rate of 7.38%. This rate is below the prevailing yield at the time of issue of 9.50% and so the Notes were issued below par. The proceeds of the issue were therefore £122m. The proceeds were used in combination with existing cash held to redeem the outstanding £129m of Class A7 Notes.

#### A2 Loan Note Repurchase

On 17 August 2023 the AA Limited group repurchased and cancelled £61m of A2 Notes for cash consideration of £60m. The remaining A2 principal balance after this redemption is £439m.