

In accordance with
Regulation 32 of the
Overseas Companies
Regulations 2009

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 register
an alteration of manner of compliance
with accounting requirements

WEDNESDAY



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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,
if applicable, the legislation under which the accounts have been audited

Legislation ②

Companies (Jersey) Law 1991 & UK Accounting Standards

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit 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**

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

Name of organisation
or body ③

United Kingdom Accounting Standards

+

A3 Accounts

Accounts


Have the accounts been audited? Please tick the appropriate box

☐ **No** Go to **Section A5**

☒ **Yes** Go to **Section A4**

OS AA01

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

A4 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶	UK Accounting Standards & Companies (Jersey) Law 1991	
A5 Unaudited accounts		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Part 3 Signature		
I am signing this form on behalf of the overseas company		
Signature	Signature X  X	
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 **Taguma Ngondonga**

Company name **AA Legal & Secretariat**

Address **Fanum House**

Basing View

Post town **Basingstoke**

County/Region **Hampshire**

Postcode

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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
or LP - 4 Edinburgh 2 (Legal Post)

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.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

THE AUTOMOBILE ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2013

COMPANIES HOUSE



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THE AUTOMOBILE ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2013

The directors present their report and audited financial statements of The Automobile Association Limited ("the Company") for the year ended 31 January 2013

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 the provision of roadside assistance

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

	2013 £'000	2012 £'000	Change %
Turnover	535,452	507,254	6%
Income from shares in group undertakings	20,000	-	100%
Staff costs	(190,926)	(169,670)	13%
Depreciation of fixed assets	(19,377)	(21,498)	(10%)
Loss on disposal of fixed assets	(158)	(110)	44%
Exceptional items	15,748	(3,858)	(508%)
Other operating charges	(130,908)	(146,084)	(10%)
Total expenses	(325,621)	(341,220)	(5%)
Finance (cost)/return on pension scheme	(300)	2,500	(112%)
Interest	(4,525)	(4,579)	(1%)
Profit before taxation	225,006	163,955	37%
EBITDA	229,366	187,642	22%
Average number of employees	8,048	7,924	2%

As shown in the Company's profit and loss on page 5, the Company's turnover increased by 6% during the current year, whilst profit before taxation increased by 37% to £224.8m over the same period

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. Net assets increased by 21% to £936.5m. Details of amounts owed to its parent company and fellow subsidiary undertakings are shown in note 13 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 increased by 22% to £229.2m during the current year

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2012: £nil)

DIRECTORS

The directors who held office during the year were as follows

J A Goodsell
S M Howard
A J P Strong
J R M Austin
A K Boland
M A Cutbill
S Dewey
S D G Douglas
A T Gisby
D Wallace (Resigned 31 May 2012)

THE AUTOMOBILE ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2013

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:

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.

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.

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.

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 Annual Report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial period in accordance with any Generally Accepted Accounting Principles. The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company at the period end and of the profit or loss of the Company for the period then ended.

In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent,
- specify which Generally Accepted Accounting Principles have been adopted in their preparation, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which 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 prepared by the Company comply with the requirements of 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.

THE AUTOMOBILE ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2013

GOING CONCERN

The Company's business activities and its exposure to financial risk are described in the business review on pages 1 and 2

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 despite the current uncertain economic outlook.

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.

POST BALANCE SHEET EVENT

The Company's indirect parent, AA Limited, is actively considering a debt refinancing of its business which is estimated to be of the order of £3 billion. The proceeds of any refinancing would be remitted to the Acromas group to partially repay Acromas Mid Co Limited's bank debt, in return for the release of the current guarantees provided by the AA Limited group and the Company outlined in note 24. Should such a refinancing go ahead, AA Limited would no longer remit cash to Acromas group treasury and will provide security to the new lenders via a combination of fixed and floating charges and the Company will become a Guarantor to the AA Limited group debt.

In the event of this transaction taking place, the Directors intend to sell the trade and assets of the Company to Automobile Association Developments Limited. Contemporaneously with this Automobile Association Developments will assume the liabilities of the Company.

RE-APPOINTMENT OF AUDITOR

The auditor Ernst & Young LLP is deemed re-appointed.

BY ORDER OF THE BOARD



A K BOLAND
DIRECTOR

5 JUNE 2013

Registered Office
22 Grenville Street
ST HELIER
JE4 8PX
Jersey

Registered number 00073356

THE AUTOMOBILE ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUTOMOBILE ASSOCIATION LIMITED

We have audited the financial statements of The Automobile Association Limited for the year ended 31 January 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 auditors' 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 Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

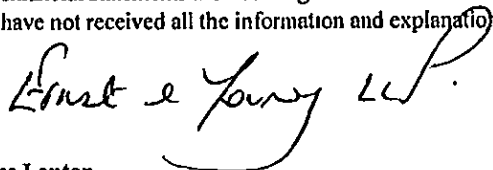
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Accounting Standards, and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion,

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.



James Lenton

For and on behalf of Ernst & Young LLP

London

5 June 2013

THE AUTOMOBILE ASSOCIATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	2013 £'000	2012 £'000
TURNOVER	2	535,452	507,254
OPERATING COSTS			
Administrative expenses		(341,369)	(337,252)
Exceptional items	4	<u>15,748</u>	<u>(3,858)</u>
		(325,621)	(341,110)
OPERATING PROFIT	3	<u>209,831</u>	<u>166,144</u>
Income from shares in group undertakings	7	20,000	-
Loss on disposal of fixed assets		(158)	(110)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>229,673</u>	<u>166,034</u>
Finance (cost)/return on pension scheme	8	(300)	2,500
Interest payable and similar charges	9	(4,525)	(4,579)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>224,848</u>	<u>163,955</u>
Tax on profit on ordinary activities	10	(46,116)	(42,098)
PROFIT FOR THE FINANCIAL YEAR	21	<u><u>178,732</u></u>	<u><u>121,857</u></u>

All income and expenditure arises from continuing operations

The notes on pages 8 to 24 form part of these financial statements

THE AUTOMOBILE ASSOCIATION LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	2013 £'000	2012 £'000
Profit for the financial year		178,732	121,857
Actuarial loss recognised on defined benefit pension schemes	19	(19,500)	(28,800)
Movement on deferred tax relating to pension provision	19	4,485	7,200
Total recognised gains and losses since last Annual Report		<u>163,717</u>	<u>100,257</u>

The notes on pages 8 to 24 form part of these financial statements

THE AUTOMOBILE ASSOCIATION LIMITED

BALANCE SHEET AT 31 JANUARY 2013

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	11	53,608	59,935
Investments in group undertakings	12	3,304	3,304
Other investments - cash deposits		<u>500</u>	<u>500</u>
		57,412	63,739
CURRENT ASSETS			
Stock		2,327	2,315
Debtors	13	1,384,110	1,429,165
Cash at bank and in hand		<u>8,112</u>	<u>6,279</u>
		1,394,549	1,437,759
PROVISIONS FOR LIABILITIES (amounts falling due within one year)	17	<u>(5,858)</u>	<u>(5,025)</u>
CREDITORS (amounts falling due within one year)	14	<u>(357,440)</u>	<u>(575,609)</u>
NET CURRENT ASSETS		<u>1,031,251</u>	<u>857,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,088,663	920,864
CREDITORS (amounts falling due after more than one year)	15	(12,706)	(20,337)
PROVISIONS FOR LIABILITIES (amounts falling due after one year)	17	<u>(22,153)</u>	<u>(26,762)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		1,053,804	873,765
PENSION LIABILITY	19	(117,334)	(101,012)
NET ASSETS		<u>936,470</u>	<u>772,753</u>
CAPITAL AND RESERVES			
Called up share capital	20	50	50
Profit and loss account	21	863,501	699,784
Capital contribution reserve	22	<u>72,919</u>	<u>72,919</u>
SHAREHOLDER'S FUNDS	23	<u>936,470</u>	<u>772,753</u>

The financial statements on pages 5 to 24 were approved by the board of directors on
and were signed on its behalf by

S JUNE 2013



A K BOLAND
DIRECTOR

The notes on pages 8 to 24 form part of these financial statements.

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in the Island of Jersey incorporating United Kingdom accounting standards and in accordance with the Companies (Jersey) Law 1991. Under these accounting principles, the directors have elected not to adopt the Statement of Recommended Practice "Accounting for Insurance Business" issued by the ABI in December 2005 (amended in December 2006) as the existing presentation fairly and appropriately reflects results of the Company's principal activity, the provision of roadside assistance. These financial statements are prepared on the going concern basis.

The Company is exempt from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Acromas Holdings Limited, whose consolidated financial statements are publicly available. These financial statements present information about the entity as an individual undertaking.

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) 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:-

Freehold properties	50 years
Long leasehold properties	50 years
Short leasehold properties	over the period of the lease
Fixtures, fittings and equipment	3 – 20 years

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

d) Investments and associates

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

e) Stock

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

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

f) 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.

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

g) Retirement benefits

Some of the Company's employees were members of a defined benefit pension scheme.

The Company has a commitment to provide post retirement private medical cover for certain current and past employees. Both schemes have been treated as defined benefit schemes, in line with FRS 17.

The amounts charged to operating profit are the current costs and gains and losses of settlements and curtailments. They are included as part of staff costs. Past services costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised on a straight line over the period until vesting occurs. The expected return on the schemes' assets is included in the interest receivable and the increase during the period in the present value of the schemes' liabilities arising from the passage of time is included in the interest payable. Actuarial gains and losses are recognised immediately in the statement of recognised gains and losses.

The defined benefit pension scheme is funded, with assets of the schemes held separately from those of the Company, in separate trustee administered funds. Defined benefit pension scheme assets are measured using market values. Defined benefit pension scheme liabilities are measured using the projected unit actuarial methods and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of related deferred tax, is presented separately after other net assets / liabilities on the face of the balance sheet.

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

h) 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.

In relation to unoccupied properties, where a decision has been made prior to the period end to vacate the property, provision is made for future rent and similar costs net of rent income expected to be received up to the estimated date of final disposal. The unwinding of the provision is discounted on a reducing balance basis, using standard rates across the Acromas Group

i) 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 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.

2 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.

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 OPERATING PROFIT

Operating profit is stated after charging:

	2013 £'000	2012 £'000
Staff costs (see note 5)	190,926	169,670
Depreciation of tangible fixed assets		
- Owned assets	5,104	4,904
- Under finance leases	14,273	16,594
Raw materials and consumables	7,717	8,504
Other external charges	120,494	134,761
Auditors' remuneration	242	235
Operating lease rentals		
- Land & Buildings	2,270	2,234
- Motor vehicles	344	350
Exceptional items (see note 4)	(15,748)	3,858
	<u>325,621</u>	<u>341,110</u>

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

4 EXCEPTIONAL ITEMS

	2013 £'000	2012 £'000
Restructuring costs	1,629	3,858
Forgiveness of intercompany balance	(17,377)	-
	<u>(15,748)</u>	<u>3,858</u>

Operating exceptional items in the current year relate to restructuring costs and the forgiveness of an intercompany balance due to fellow group company Fanum Guernsey Limited. Costs in the prior year related to the winding down of the Service Maintenance and Repair business.

5 STAFF COSTS

Staff costs during the year were as follows.

	2013 £'000	2012 £'000
Wages and salaries	155,576	138,641
Social security costs	12,727	12,763
Other pension costs	22,623	18,266
	<u>190,926</u>	<u>169,670</u>

The average number of employees during the year was 8,048 (2012 7,924)

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 DIRECTORS' EMOLUMENTS

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	<u>2,434</u>	<u>2,144</u>
Members of defined benefit pension scheme	<u>10</u>	<u>10</u>

The directors' emoluments shown above relate to A J P Strong, A K Boland, M A Cutbill, S Dewey, S D G Douglas, J R M Austin, A T Gisby and D Wallace. Where these directors hold directorships in other group companies, the full amount of their emoluments are included above as 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.

J A Goodsell and S M Howard are remunerated by Saga Group Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited, and received total remuneration for the year of £2.4m (2012: £2.4m). Neither of these directors received any emoluments during the year in respect of their services as a director of the Company (2012: £nil). The Company has not been recharged any amount for the emoluments of these directors (2012: £nil).

7 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2013 £'000	2012 £'000
Dividends	<u>20,000</u>	<u>-</u>

8 FINANCE COST/(RETURN) ON PENSION SCHEME

	2013 £'000	2012 £'000
Interest on pension scheme liabilities (note 19)	69,600	76,100
Expected return on pension assets (note 19)	<u>(69,300)</u>	<u>(78,600)</u>
	<u>300</u>	<u>(2,500)</u>

9 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Unwinding of discount rate on provisions (note 17)	258	784
Finance lease interest	4,288	3,777
Other interest (receivable)/payable	<u>(21)</u>	<u>18</u>
	<u>4,525</u>	<u>4,579</u>

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge/(credit) is made up as follows	2013	2012
	£'000	£'000
Current Tax:		
- Group relief payable	40,610	28,216
- Current tax on profit in the period	-	5,521
- Adjustments in respect of prior periods	662	785
Total current tax charge	41,272	34,522
Deferred tax:		
- Origination and reversal of timing differences	2,003	5,731
- Adjustments in respect of prior periods	(414)	(1,259)
- Effect of tax rate change	3,255	3,104
- Total deferred tax (see note 18)	4,844	7,576
Total tax charge on ordinary activities	46,116	42,098
Deferred tax credited directly to reserves.	(4,485)	(7,200)
	(4,485)	(7,200)

The Company pays UK corporation tax as it is centrally managed and controlled in the UK. 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

	2013	2012
	£'000	£'000
Profit on ordinary activities before tax	224,848	163,955
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.33% (2012: 26.32%)	54,706	43,153
Effects of		
Permanent differences	(3,406)	(3,774)
Expenses not deductible for tax purposes	(8,183)	616
Capital allowances in excess of depreciation	(1,924)	(3,192)
Adjustments to tax charge in respect of previous years	662	785
Other short term timing differences	(536)	(622)
Defined benefit scheme timing differences	(47)	(2,444)
Total current tax charge	41,272	34,522

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 TANGIBLE ASSETS

	Land and Buildings			Fixtures, fittings and equipment	Total
	Long Freehold £'000	Long Leasehold £'000	Short Leasehold £'000	£'000	£'000
Cost					
At 1 February 2012	9,429	5,755	108	132,813	148,105
Additions	-	-	-	13,236	13,236
Intra-group transfers	-	-	-	179	179
Disposals	-	-	-	(14,250)	(14,250)
At 31 January 2013	9,429	5,755	108	131,978	147,270
Depreciation					
At 1 February 2012	2,614	4,227	62	81,267	88,170
Charge in the year	192	118	3	19,064	19,377
Intra-group transfers	-	-	-	137	137
Disposals	-	-	-	(14,020)	(14,020)
At 31 January 2013	2,806	4,345	65	86,446	93,662
Net book value					
At 31 January 2013	6,623	1,410	43	45,532	53,608
At 31 January 2012	6,815	1,528	46	51,546	59,935

Fixtures, fittings and equipment include the following vehicles and associated equipment held under finance leases

	2013	2012
	£'000	£'000
Cost	79,233	73,207
Accumulated depreciation	(48,519)	(37,722)
Net book value	30,714	35,485

12 INVESTMENTS IN GROUP UNDERTAKINGS

	Shares in subsidiary undertakings	Shares in associated undertakings	Total
	£'000	£'000	£'000
Cost			
At 1 February 2012	2,500	804	3,304
Additions	-	-	-
At 31 January 2013	2,500	804	3,304

	Country of incorporation or registration	% Holding of ordinary shares	Principal activity
Subsidiary undertakings			
AA The Driving School Agency Limited	England	100	Franchise operation
Acromas Reinsurance Company Limited	Guernsey	100	Reinsurance underwriting
Associates			
A C T A SA	France	22	Roadside services
A C T A Assistance SA	France	22	Roadside services
A C T A Assurance SA	France	22	Roadside and insurance services
ARC Europe S A	Belgium	20	Roadside services

The Company holds these undertakings directly with the exception of ACTA SA and ACTA Assurance SA, which are both subsidiaries of ACTA Assistance SA. There are no differences between % holding and % voting rights in ordinary shares.

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 DEBTORS

	2013 £'000	2012 £'000
Amounts receivable within one year		
Trade debtors	24,149	19,706
Amounts owed by group undertakings	1,316,787	1,373,975
Other debtors	12,241	6,610
Prepayments and accrued income	17,963	12,563
	<u>1,371,140</u>	<u>1,412,854</u>
Amounts receivable in more than one year		
Deferred tax asset (see note 18)	12,970	16,311
	<u>1,384,110</u>	<u>1,429,165</u>

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

14 CREDITORS (amounts falling due within one year)

	2013 £'000	2012 £'000
Bank loans and overdrafts	197	27
Obligations under finance leases and hire purchase contracts (note 16)	16,021	9,359
Corporation tax	6,143	7,907
Trade creditors	4,412	3,083
Amounts owed to group undertakings	111,575	339,022
Other taxes and social security	16,396	18,007
Other creditors	16,324	16,253
Accruals and deferred income	186,372	181,951
	<u>357,440</u>	<u>575,609</u>

The amounts owed to group undertakings are unsecured, have no repayment terms and bear no interest

15 CREDITORS (amounts falling due in greater than one year)

	2013 £'000	2012 £'000
Obligations under finance leases and hire purchase contracts (note 16)	<u>12,706</u>	<u>20,337</u>

16 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Amounts due under finance leases and hire purchase contracts.

	2013 £'000	2012 £'000
Amounts payable		
Within one year	16,021	9,359
In two to five years	12,706	20,337
	<u>28,727</u>	<u>29,696</u>

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 PROVISIONS FOR LIABILITIES

	Restructure £'000	Property £'000	Total £'000
At 1 February 2012	24	31,763	31,787
Increase in the provision	273	-	273
Discount unwinding	-	258	258
Utilised in the year	-	(4,307)	(4,307)
At 31 January 2013	<u>297</u>	<u>27,714</u>	<u>28,011</u>

The restructuring provision relates to restructuring and other costs following the acquisition of BSM. It is anticipated that the provision will be substantially utilised within one year.

The property provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income. A significant element of this provision relates to service centre sites, which upon termination of operations were not transferred to a third party. These sums are expected to be paid out over the next 4 years. The provision has been calculated on a pre-tax discounted basis.

18 DEFERRED TAXATION

Deferred tax assets/(liabilities) comprise.

	Amounts recognised		Amounts unrecognised	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Timing differences on:				
Decelerated capital allowances	9,726	12,632	-	-
Other short term timing differences	3,244	3,679	-	-
Capital gains rolled over	-	-	-	(528)
Deferred tax asset/(liability) excluding that relating to pension asset (note 13)	12,970	16,311	-	(528)
Pension deferred tax asset (note 19)	26,940	23,958	-	-
Deferred tax asset/(liability)	<u>39,910</u>	<u>40,269</u>	<u>-</u>	<u>(528)</u>

The movement on the deferred tax account is as follows.

	£'000
Deferred tax asset at 1 February 2012	40,269
Origination and reversal of timing differences through profit & loss account	(4,844)
Origination and reversal of timing differences through STRGL	4,485
Deferred tax asset at 31 January 2013	<u>39,910</u>

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 DEFERRED TAXATION (continued)

The Finance Act 2012 reduced the main rate of corporation tax from 26% to 24% with effect from 1 April 2012, and further reduced it from 24% to 23% with effect from 1 April 2013. As this reduction was substantively enacted on 3 July 2012, the deferred tax balance at 31 January 2013 has been stated at 23%.

Further reductions in the rate of UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 were announced in December 2012 and March 2013. The directors estimate that the effect of these changes will reduce the Company's deferred tax asset by £4,599,000.

19 PENSION COSTS AND OTHER POST RETIREMENT BENEFITS

The majority of the Company's employees at 31 January 2013 were members of the AA Pension Scheme, which is a defined benefit scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. New entrants to the scheme accrue benefits on a career average salary basis. The scheme has final salary sections that are closed to new entrants but open to future accrual for existing members. Certain employees are also members of an unfunded Post-retirement Private Medical Plan scheme ('APMP'), which is a defined benefit scheme. The scheme is not open to new entrants.

Regular employee contributions to the AA Schemes in the year to 31 January 2014 are estimated to be £26.1 million. Additional employer contributions will be required if there are any redundancies or augmentations during the year based on the recommendations of the scheme actuary.

The valuations used for FRS17 (Retirement benefits) disclosures have been based on a full assessment of the liability of the schemes. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

Actuarial gains and losses have been recognised in the year in which they occur through the Statement of Total Recognised Gains and Losses (STRGL).

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS17 (Retirement benefits) are set out below.

	2013	2012
Real rate of increase in salaries	0.0%	0.0%
Real rate of increase of pensions in payment	0.0%	0.0%
Real rate of increase of pensions in deferment	0.0%	0.0%
Discount rate	4.7%	4.6%
Inflation assumption	3.4%	3.0%
Medical premium inflation	7.4%	7.0%

Mortality assumptions are set using standard tables based on scheme specific experience where available. Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The scheme assumes that an active male retiring in normal health currently aged 60 will live on average for a further 27 years (2012: 27 years) and that an active female retiring in normal health currently aged 60 will live on average for a further 30 years (2012: 27 years).

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 PENSION COSTS AND OTHER POST RETIREMENT BENEFITS (continued)

The amounts recognised in the balance sheet are as follows:

	2013	2012
	£m	£m
AA scheme	(74.5)	(60.1)
APMP scheme	(42.8)	(40.9)
Net defined benefit pension liability	<u>(117.3)</u>	<u>(101.0)</u>

Amounts for the current and previous four year end dates are as follows

AA scheme:	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Fair value of scheme assets	1,501.7	1,393.1	1,236.7	1,165.8	1,006.3
Present value of defined benefit obligation	<u>(1,598.5)</u>	<u>(1,473.3)</u>	<u>(1,301.0)</u>	<u>(1,354.7)</u>	<u>(982.9)</u>
Defined benefit scheme asset/(liability)	(96.8)	(80.2)	(64.3)	(188.9)	23.4
Related deferred tax (liability)/asset	<u>22.3</u>	<u>20.1</u>	<u>17.4</u>	<u>53.0</u>	<u>(6.2)</u>
Net asset/(liability) recognised in balance sheet	<u>(74.5)</u>	<u>(60.1)</u>	<u>(46.9)</u>	<u>(135.9)</u>	<u>17.2</u>

APMP scheme:	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Fair value of scheme assets	-	-	-	-	-
Present value of defined benefit obligation	<u>(47.5)</u>	<u>(44.8)</u>	<u>(41.1)</u>	<u>(44.2)</u>	<u>(37.2)</u>
Defined benefit scheme liability	<u>(47.5)</u>	<u>(44.8)</u>	<u>(41.1)</u>	<u>(44.2)</u>	<u>(37.2)</u>
Related deferred tax asset	<u>4.7</u>	<u>3.9</u>	<u>3.0</u>	<u>2.6</u>	<u>-</u>
Net liability recognised in balance sheet	<u>(42.8)</u>	<u>(40.9)</u>	<u>(38.1)</u>	<u>(41.6)</u>	<u>(37.2)</u>

The amounts recognised in the balance sheet are reconciled as follows:

	2013		2012		
	AA	APMP	AA	APMP	Total
	scheme	scheme	scheme	scheme	
	£m	£m	£m	£m	£m
Opening defined benefit liability	(80.2)	(44.8)	(64.3)	(41.1)	(105.4)
Profit and loss expense	(22.1)	(2.3)	(13.2)	(2.5)	(15.7)
Employer contributions	23.6	1.0	23.7	1.2	24.9
Loss recognised via the STRGL	<u>(18.1)</u>	<u>(1.4)</u>	<u>(26.4)</u>	<u>(2.4)</u>	<u>(28.8)</u>
Closing defined benefit liability	(96.8)	(47.5)	(80.2)	(44.8)	(125.0)
Related deferred tax asset	<u>22.3</u>	<u>4.7</u>	<u>20.1</u>	<u>3.9</u>	<u>24.0</u>
Net liability recognised in balance sheet	<u>(74.5)</u>	<u>(42.8)</u>	<u>(60.1)</u>	<u>(40.9)</u>	<u>(101.0)</u>

The changes in the present value of the defined benefit obligation are as follows

	2013		2012		
	AA	APMP	AA	APMP	Total
	scheme	scheme	scheme	scheme	
	£m	£m	£m	£m	£m
Opening defined benefit obligation	1,473.3	44.8	1,301.0	41.1	1,342.1
Current service cost	23.9	0.2	18.0	0.2	18.2
Interest cost	67.5	2.1	73.8	2.3	76.1
Contributions by scheme participants	1.2	-	1.3	-	1.3
Actuarial losses	70.5	1.4	115.3	2.4	117.7
Net benefits paid	<u>(37.9)</u>	<u>(1.0)</u>	<u>(36.1)</u>	<u>(1.2)</u>	<u>(37.3)</u>
Closing defined benefit obligation	<u>1,598.5</u>	<u>47.5</u>	<u>1,473.3</u>	<u>44.8</u>	<u>1,518.1</u>

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 PENSION COSTS AND OTHER POST RETIREMENT BENEFITS (continued)

The changes in the fair value of scheme assets during the year are as follows

	2013			2012		
	AA scheme £m	APMP scheme £m	Total £m	AA scheme £m	APMP scheme £m	Total £m
Opening fair value of scheme assets	1,393.1	-	1,393.1	1,236.7	-	1,236.7
Actual return on scheme assets	121.7	-	121.7	167.5	-	167.5
Contributions by employer	23.6	1.0	24.6	23.7	1.2	24.9
Contributions by scheme participants	1.2	-	1.2	1.3	-	1.3
Net benefits paid out	(37.9)	(1.0)	(38.9)	(36.1)	(1.2)	(37.3)
Closing value of scheme assets	<u>1,501.7</u>	<u>-</u>	<u>1,501.7</u>	<u>1,393.1</u>	<u>-</u>	<u>1,393.1</u>

The fair value of scheme assets by percentage are as follows

	2013 AA scheme	2012 AA scheme
Equities	29%	33%
Bonds	43%	41%
Property	7%	8%
Hedge funds	20%	15%
Other	1%	3%
Total	<u>100%</u>	<u>100%</u>

The analysis of the actual return on scheme assets is as follows:

	2013			2012		
	AA scheme £m	APMP scheme £m	Total £m	AA scheme £m	APMP scheme £m	Total £m
Expected return on scheme assets	69.3	-	69.3	78.6	-	78.6
Actuarial gains on scheme assets	52.4	-	52.4	88.9	-	88.9
Actual return on scheme asset	<u>121.7</u>	<u>-</u>	<u>121.7</u>	<u>167.5</u>	<u>-</u>	<u>167.5</u>

An expected return is set for each asset class, reflecting a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations. A single asset return for the schemes' assets is then derived as an average of the expected return on each asset class, weighted by the schemes' actual allocation of that class.

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 PENSION COSTS AND OTHER POST RETIREMENT BENEFITS (continued)

The analysis of amounts recognised in the profit and loss account is as follows:

	2013			2012		
	AA scheme £m	APMP scheme £m	Total £m	AA scheme £m	APMP scheme £m	Total £m
Current service cost	23.9	0.2	24.1	18.0	0.2	18.2
Interest cost	67.5	2.1	69.6	73.8	2.3	76.1
Expected return on scheme assets	(69.3)	-	(69.3)	(78.6)	-	(78.6)
Expense taken to the profit and loss account	<u>22.1</u>	<u>2.3</u>	<u>24.4</u>	<u>13.2</u>	<u>2.5</u>	<u>15.7</u>

The analysis of net finance return on pension schemes recognised in the profit and loss account is as follows:

	2013			2012		
	AA scheme £m	APMP scheme £m	Total £m	AA scheme £m	APMP scheme £m	Total £m
Interest cost	67.5	2.1	69.6	73.8	2.3	76.1
Expected return on scheme assets	(69.3)	-	(69.3)	(78.6)	-	(78.6)
Net finance return recognised	<u>(1.8)</u>	<u>2.1</u>	<u>0.3</u>	<u>(4.8)</u>	<u>2.3</u>	<u>(2.5)</u>

The analysis of amounts recognised in the STRGL are as follows.

	2013			2012		
	AA scheme £m	APMP scheme £m	Total £m	AA scheme £m	APMP scheme £m	Total £m
Actual gains on scheme assets	52.4	-	52.4	88.9	-	88.9
Changes in assumptions underlying the present value of scheme liabilities	(70.5)	(1.4)	(71.9)	(115.3)	(2.4)	(117.7)
Actuarial loss in STRGL	<u>(18.1)</u>	<u>(1.4)</u>	<u>(19.5)</u>	<u>(26.4)</u>	<u>(2.4)</u>	<u>(28.8)</u>
Movement in deferred tax	4.2	0.3	4.5	6.6	0.6	7.2
Total loss in STRGL	<u>(13.9)</u>	<u>(1.1)</u>	<u>(15.0)</u>	<u>(19.8)</u>	<u>(1.8)</u>	<u>(21.6)</u>
Cumulative actuarial (loss)/gain in STRGL	<u>(128.8)</u>	<u>2.5</u>	<u>(126.2)</u>	<u>(114.9)</u>	<u>3.6</u>	<u>(111.2)</u>

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 PENSION COSTS AND OTHER POST RETIREMENT BENEFITS (continued)

History of experience gains and losses

AA scheme:	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Difference between expected and actual return on scheme assets*					
- Amount (£m)	(52.4)	(88.9)	(11.1)	(104.7)	273.2
- % of scheme assets	(3.5%)	(6.4%)	(0.8%)	(8.5%)	27.1%
Experience gains and losses on scheme liabilities					
- Amount (£m)	(2.9)	6.0	(17.8)	(11.4)	-
- % of present value of scheme liabilities	0.2%	-0.4%	1.2%	0.9%	-
The scheme surplus/(deficit)					
- Fair value of assets (£m)	1,501.7	1,549.5	1,236.7	1,165.8	1,006.3
- Actuarial value of scheme liabilities (£m)	(1,598.5)	(1,645.6)	(1,301.0)	(1,354.7)	(982.9)
- (Deficit)/surplus in scheme (£m)	(96.8)	(96.1)	(64.3)	(188.9)	23.4

APMP scheme:	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Difference between expected and actual return on scheme's assets.					
- Amount (£m)	-	-	-	-	-
- % of scheme assets	-	-	-	-	-
Experience gains and losses on scheme liabilities					
- Amount (£m)	-	-	-	-	-
- % of present value of scheme liabilities	-	-	-	-	-
The scheme deficit*					
- Fair value of assets (£m)	-	-	-	-	-
- Actuarial value of scheme liabilities (£m)	(47.5)	(48.5)	(41.1)	(44.2)	(37.2)
- Deficit in scheme (£m)	(47.5)	(48.5)	(41.1)	(44.2)	(37.2)

Assumed medical cost trend rates have a significant effect on the amounts recognised in the profit and loss account. A one percentage point change in assumed medical cost trend rates would have the following effects:

	2013		
	As adopted	1% pa lower	1% pa higher
	£m	£m	£m
Actuarial value of APMP liabilities at 31 January 2013	47.5	(5.8)	7.0
Total of interest cost and service cost for year to 31 January 2013	2.3	(0.4)	0.4

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

21 PROFIT AND LOSS ACCOUNT

	2013 £'000	2012 £'000
Opening balance	699,784	599,527
Profit for the financial year	178,732	121,857
Actuarial losses on pension schemes	(19,500)	(28,800)
Movement on deferred tax relating to pension provision	<u>4,485</u>	<u>7,200</u>
Closing balance	<u>863,501</u>	<u>699,784</u>

22 OTHER RESERVES

	2013 £'000	2012 £'000
Capital contribution reserve	<u>72,919</u>	<u>72,919</u>

23 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 £'000	2012 £'000
Opening shareholder's funds	772,753	672,496
Profit for the financial year	178,732	121,857
Other recognised losses relating to the year	<u>(15,015)</u>	<u>(21,600)</u>
Closing shareholder's funds	<u>936,470</u>	<u>772,753</u>

24 GUARANTEES AND COMMITMENTS

Cross Company 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 £5,132.1 million (2012: £5,098.2 million).

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24 GUARANTEES AND COMMITMENTS (continued)

Operating leases

The Company is committed to make payments next year, analysed by year of expiry, as follows.

	Land and buildings		Motor vehicles	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year	59	8	144	149
In two to five years	47	69	434	289
In over five years	2,158	2,156	-	-
	<u>2,263</u>	<u>2,233</u>	<u>578</u>	<u>438</u>

At 31 January 2013, the Company had capital commitments of £124,804 (2012: £488,110) and capital expenditure authorised but not yet committed of £nil (2012: £nil).

25 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. Other transactions with related parties during the year comprised:

Related Party	Type of Transaction	2013 £m	2012 £m
ACTA SA	Call handling fee costs	1.9	2.2
	Amount payable at 31 January	0.1	-
ARC Transistance SA	Registration fees	0.5	0.3
	Amount payable at 31 January	0.2	0.2

26 ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling party to be funds advised by Charterhouse Capital Partners, CVC Capital Partners and Permira Advisers acting in concert

27 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of AA Corporation Limited, a company registered in England and Wales

The parent of the smallest group to consolidate these financial statements is AA Limited whose registered office is Fanum House, Basing View, Basingstoke, RG21 4EA. The ultimate parent undertaking, which is also the parent of the largest group to consolidate these financial statements, is Acromas Holdings Limited whose registered office is at Enbrook Park, Folkestone, Kent, CT20 3SE

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

THE AUTOMOBILE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

28 POST BALANCE SHEET EVENT

The Company's indirect parent, AA Limited, is actively considering a debt refinancing of its business which is estimated to be of the order of £3 billion. The proceeds of any refinancing would be remitted to the Acromas group to partially repay Acromas Mid Co Limited's bank debt, in return for the release of the current guarantees provided by the AA Limited group and the Company outlined in note 24. Should such a refinancing go ahead AA Limited would no longer remit cash to Acromas group treasury and will provide security to the new lenders via a combination of fixed and floating charges and the Company will become a Guarantor to the AA Limited group debt.

In the event of this transaction taking place, the Directors intend to sell the trade and assets of the Company to Automobile Association Developments Limited. Contemporaneously with this Automobile Association Developments will assume the liabilities of the Company.