SAGA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2022

SAGA GROUP LIMITED
Company information

Directors:	E A Sutherland	
	J Quin	
	D Moore	(resigned 29 July 2022)
	R Shaw	(appointed 29 July 2022)
Secretary:	V Haynes	
Registered Office:	Enbrook Park, Folkestone, Kent, CT20 3SE	
Company Registration no:	00638891	
Auditor:	KPMG LLP, 15 Canada Square, London E14 5GL	

SAGA GROUP LIMITED
Strategic Report

The Directors submit the annual report and the audited financial statements for Saga Group Limited ("the Company") for the year ended 31 January 2022.

Review of business developments and principal activity

Saga Group Limited is an indirectly held subsidiary of Saga plc. Saga plc and its subsidiaries are collectively referred to as the Saga Group (the "Group").

Saga Group Limited's principal activity is to provide central administrative functions to other companies in the Group. These services include IT, human resources, finance, marketing, change management, property maintenance, training and development, internal audit, legal advice, risk management, company secretarial services and central management. The Group's principal activities are the provision of package holidays and escorted tours, cruises, insurance, financial services and other services to people in the UK aged fifty and over.

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

	2022 £'000	2021 £'000	change %
Turnover	44,904	50,943	(11.9)
Administrative and marketing expenses	(69,169)	(77,552)	10.8
Profit before taxation	57,036	72,922	(22.5)
Average number of employees	419	554	(24.4)

The decrease in Turnover is predominately due to a decrease in recharges to other companies within the Group that benefit from the central administration functions performed by the Company.

Administrative and marketing expenses have decreased to £69,169k in the year due to the Company incurring less one-off costs than in the prior year, which comprised redundancy costs and costs associated with the disposal of a number of subsidiary companies.

Net intra-group loan write offs were a £46k credit (2021: £2,195k expense) and dividends received from group undertakings were £82,000k (2021: £105,000k).

This resulted in a profit for the year before taxation of £57,036k (2021: £72,922k). After taxation, a profit of £60,566k (2021: £80,981k) has been taken to reserves. No dividends have been paid in the year (2021: £nil).

Principal risks and uncertainties

The Group has agreed systems and processes to govern its approach to risk management. These systems encompass: ensuring that an effective risk assessment and management system is in place; agreeing the principal risks and uncertainties the business should accept in pursuit of its strategic objectives and regularly reviewing the status of these; ensuring that a suitable risk culture is embedded throughout Saga.

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:

Regulatory risks
The Group trades within regulated sectors of the economy such as financial services, package holidays and cruising. It is therefore required to comply with all relevant regulations.

Operational risks
The Group faces a number of operational risks which are fundamental to it carrying on business including the risk of suppliers not being able to provide contracted services through force majeure, the risk associated with operating holidays and cruise ships, and business disruption in the event of infrastructure failures. The Group has put in place contingency plans to mitigate the impact of these risks, which are tested on an ongoing basis, and implemented processes and procedures to reduce the likelihood of occurrence, including operational resilience of systems.

Market risk
The Group continues to operate in highly competitive markets with constant pressure on margins and market share. These risks are managed through promotion of the Group brands, continuing efforts to improve efficiency and reduce costs, and focus on customer service, quality and value for money. Appropriate information is utilised to monitor the external market.

Brand risk
The Group recognises that Saga is a quality brand and a source of competitive advantage, and it has in place policies and procedures to protect the brand at all times. Legal protections for brands, trademarks and other points of differentiation are put in place wherever possible.

Intra-group risk
The Company is part of the Saga plc Group of companies, and therefore has some exposure to risks that may materialise in other companies within the Saga plc Group. Management work closely with colleagues across the Group, providing input into and oversight of the reporting, management and mitigation of material risks, including the Group's ongoing response to the COVID-19 pandemic.

As a guarantor for oil swap derivatives purchased by Saga Cruises Limited, the Company is exposed to the risk that it would have to assume these obligations in the event that the Group is not able to honour its commitments. The Company also provides a super security to the trustees of the Saga Pension Scheme, which ranks before any liabilities under the Group's bank facilities. The Company has a reasonable expectation that the Group will continue to honour its commitments as they fall due.

Principal risks and uncertainties (continued)

COVID-19 risk
The impact of COVID-19 over the past two years has increased the level of uncertainty and earnings volatility for most companies, including the Group within which the Company operates. The Group's largest business is its Insurance operations, which have been resilient over the past two years and have remained profitable. The Group successfully recommenced operations in its Travel business during 2021, with UK-only cruises and holidays operating from July 2021; and a return to international cruises from the end of August 2021 and international tours from September 2021. The Travel business has continued to operate since, despite the increased disruption from the emergence of the Omicron variant in November 2021. Furthermore, the Group announced at the end of January 2022 its plans to restructure the operations of its Travel business, which is expected to create operational synergies and place the business in a strong position as travel restrictions ease further and customer demand continues to recover.

Since the start of the pandemic in early 2020, the Group has increased the frequency and depth of its long-term financial forecasting and scenario modelling to allow the Directors to take appropriate action to ensure the ongoing liquidity and solvency of the business. Over this period, the Group has undertaken a series of transactions to restructure its operations and capital structure, strengthening the Group's balance sheet to allow it to withstand a further period of uncertainty that may be faced in 2022 and beyond. These actions have allowed the Group to fully repay its senior secured bank debt facilities, bolster cash reserves, increase financial flexibility and extend the maturity profile of Group debt. Further details can be obtained from the Group's latest annual report and accounts published on the Saga plc corporate website www.corporate.saga.co.uk.

Political uncertainty
The Russian invasion of Ukraine on 24 February 2022 has created heightened global economic and political uncertainty. Whilst the situation continues to unfold, a number of potential risks have been identified that could impact the Group's ability to deliver on its strategy that will require close monitoring and an agile management response should the situation continue to escalate. These risks include increasing inflationary pressures on both product margins and consumer spending behaviours caused by rising commodity prices, supply chain disruption and foreign exchange volatility.

Future developments

The Company will continue to provide administrative services to other Group companies, although from 2022 many of these services will be decentralised into the Group's business units, which will result in lower recharges to those business units and a corresponding decrease in administrative costs.

Section 172 (1) statement – duty to promote the success of the company

The Directors have had regard for the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by the business.

The matters the Directors must have regard to, amongst others, are as follows:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors also consider other factors in their decision-making process, including the Company's purpose, values and strategy. The Company's values are Precision Pace, Empathy, Curiosity and Collaboration. These values shape the behaviours needed to successfully deliver the Company's strategy and ensure fulfilment of the Company's purpose of delivering exceptional experiences every day whilst being a driver of positive change in its markets and communities.

The decision-making process also needs to consider a balance of interests of key stakeholders including shareholders, customers, colleagues, partners and suppliers, regulators and the communities in which the Company operates. This is achieved by engaging with stakeholders during the year through a variety of means.

Below are some examples, but not an exhaustive list, of how the Directors have had regard to the matters specifically set out in section 172 when discharging their duties, and the effect of that on certain decisions taken.

Strategic planning and financial performance management

The board delegates responsibility for the day-to-day running of the Company to the executive directors and their management teams. The board is responsible for providing overall direction for management, deciding on strategic priorities and setting values and standards.

The Company's five-year plan, which is based on its strategy and a set of assumptions and modelled scenarios, consists of commercial and operational performance projections, capital and cash flow forecasts, and is reviewed and approved by the board during an annual planning process. The Company's performance is measured by the board against the five-year plan during the year, variances to that plan are investigated and understood, and appropriate action is taken to ensure the ongoing financial success of the Company.

Section 172 (1) statement - Duty to promote the success of the company (continued)

Colleague engagement

As part of the wider Group, the Company carried out regular colleague surveys during the year that cover a wide variety of areas including working practices, career development, reward, health and wellbeing, and company strategy, values and purpose. These surveys provide the Directors with information about its colleagues' views and opinions, so it can continue to take appropriate actions to ensure the continued engagement of its colleagues. During 2021, the Group achieved its highest response rate to date of 93% and saw a significant improvement in engagement from 7.3 in February 2021 to 7.7 in November 2021.

The Company also keeps colleagues informed and connected via Workplace, a single, mobile-first internal communications platform that enables colleagues to share their feedback and ideas, and for their voices to be heard, encouraging an open culture.

Customer outcomes

The Directors consider customers to be at the core of the business, and everything the business does is aimed at creating exceptional experiences from them every day. Management seeks an in-depth understanding of customer behaviour and preferences, and design differentiated products that are tailored to their needs, provided alongside exceptional service. This creates value for the customers and serves to drive longer and deeper relationships with them.

The Group aims to maintain an honest dialogue with its customers, through customer telephone support, social media, the Saga Magazine and customer opinion panels. The board receives regular reports from management based on customer insights and feedback, and reviews NPS scores. Customer-facing colleagues are also invited to board meetings to present details of customer experiences.

Customer outcomes are monitored through direct reporting to the board and through risk and compliance governance committees, to ensure they are aligned with the expectations of the Group's regulators. The Directors track and monitor management's performance in relation to the fair treatment of the Group's customers and potential customers.

Partners and suppliers

Partners and suppliers are carefully selected to support management's ability to deliver exceptional experiences every day, aligned to the interests of the Group's customers, and to complement the Group's in-house capabilities with certain specialist skills, knowledge or capital. In turn, those partners and suppliers benefit from access to the Group's colleagues, brand and deep customer insight. The Group aims to build mutually beneficial, long-term relationships with all key suppliers. The board is kept informed of any changes to supplier risk management through liaison with the various risk forums operated within the wider Group.

Section 172 (1) statement - Duty to promote the success of the company (continued)

Local communities and the environment

Part of the Group's purpose is to be driver of positive change within its local communities, seeking to understand and carefully consider the impact of every decision made. The Saga Group Chief Executive Officer and Chief People Officer meet with local community stakeholders each quarter to provide them with an update on the business, and which provides them with a forum to ask questions and engage on key topics.

Over the past 12 months, the Group has increased its understanding of its environmental and social impact and has introduced hybrid and electric vehicles in the fleet used within the wider business as an example of positive changes that the Group is making in this area. The Group has also strengthened its level of reporting, alongside consideration of the new task force on climate-related financial disclosures that came into force for the first time this year. Further details of this disclosure can be found in the Saga plc annual report and accounts at the following location: https://www.corporate.saga.co.uk/investors/results-reports-presentations/.

By order of the Board

R Shaw
Director
10 August 2022

Registered office:
Enbrook Park
Sandgate
Folkestone
Kent
CT20 3SE

SAGA GROUP LIMITED
Directors' Report

The Directors submit the Directors' Report of the Company for the year ended 31 January 2022.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report, Strategic Report and financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom accounting standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The Directors, who served throughout the year and up to the date of this report, were as follows:

E A Sutherland
J Quin
D Moore (resigned 29 July 2022)
R Shaw (appointed 29 July 2022)

Colleague involvement

During the year the Company has maintained the practice of keeping colleagues informed about current activities and progress by various methods, including through a fully digital internal communication platform, Workplace. Colleague participation and involvement is encouraged. Regular colleague engagement surveys are conducted to understand their opinions and to help shape future development. A new purpose and values system has been introduced over the past year to help guide the behaviour of colleagues in the pursuit of the Group's strategy. It is built around an extraordinary brand and the ability to understand and create what our customers need, in order to deliver exceptional experiences every day.

Employment of disabled persons

It is the policy of the Company to develop a working environment and to offer terms and conditions of service to provide disabled persons with the appropriate skills, qualifications and equal opportunities to seek and maintain employment with the Company. It is the Company's policy to retain in employment, whenever practicable, employees who become disabled and give all such employees equal consideration for training and career development to enable them to fulfil their promotion potential.

Engagement with suppliers, customers and others in business relationship with the Company

Saga exists to deliver exceptional experiences for its customers every day, whilst being a driver of positive change in its markets and communities. Customers are at the heart of the business, and the Group's focus on them provides insight into their behavioural traits and sentiments. The Directors recognise that the Group's customers do not define themselves by age, but by attitude, aspiration and an appetite for adventure. The Group listens to its customers and uses this knowledge to design and deliver high-quality bespoke, differentiated products and services aimed at creating exceptional experiences and developing long-term relationships with its customer base. The Directors regularly monitor feedback and the quality of customer service provided by in-house and third-party teams to ensure the service meets expectations.

Supplier relationships are fundamental to the Group's business model. The specialist skills, knowledge and capital that the Group's partners and suppliers provide support the Group's ability to deliver the products and services its customers desire. Saga aims to select partners and suppliers that either have specialist skills, knowledge, capital or whose causes are close to its customers' hearts. The Group's partners and suppliers benefit from Saga's brand, customer knowledge and access to an attractive demographic.

Key partnerships are monitored at all levels and subject to periodic due diligence to ensure compliance with current regulatory and statutory requirements, including human rights and modern slavery requirements.

Political donations

The Company has not made any political donations during the year.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance and its exposure to risk and its management of these risks, including the COVID-19 pandemic, are described on pages 2-4.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Please see note 2(b) for further details. Accordingly, they continue to adopt the going concern basis of accounting when preparing the annual financial statements.

Disclosure of information to the auditors

Each current Director has made enquiries of their fellow Directors and the Company's auditor and taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing their report. So far as each Director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the auditor KPMG LLP is deemed to be re-appointed.

By order of the Board

R Shaw
Director
10 August 2022

Registered office:
Enbrook Park
Sandgate
Folkestone
Kent
CT20 3SE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA GROUP LIMITED

Opinion

We have audited the financial statements of Saga Group Limited ("the Company") for the year ended 31 January 2022 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited judgement involved in the determination of all material revenue streams and therefore the audit evidence supporting these balances is straightforward to obtain.

We did not identify any additional fraud risks.

To address the pervasive risk as it relates to management override, we performed procedures including:

- Identifying journal entries to test, based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, those including specific words based on our risk criteria, those journals which were unbalanced, those posted to unusual accounts, those posted at the end of the period and/or post-closing entries with little or no description and unusual journal entries posted to either cash or borrowings.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA GROUP LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and Directors' Report
The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA GROUP LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 8, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Crisp (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

10 August 2022

SAGA GROUP LIMITED
Income statement for the year ended 31 January 2022

	Note	2022 £'000	2021 £'000
Turnover	3	44,904	50,943
Cost of sales		(699)	(927)
Gross profit		44,205	50,016
Administrative and marketing expenses		(69,215)	(77,552)
Net intra-group loans forgiven/(written off)	4	46	(2,195)
Operating loss	4	(24,964)	(29,731)
Income from shares in group undertakings		82,000	105,000
Profit on ordinary activities before interest and taxation		57,036	75,269
Interest receivable and similar income	5	4	33
Interest payable and similar charges	6	(549)	(2,380)
Profit on ordinary activities before taxation		56,491	72,922
Taxation	9	4,075	8,059
Profit for the financial year		60,566	80,981

Notes 1 to 26 form an integral part of these financial statements.

SAGA GROUP LIMITED

Statement of comprehensive income for the year ended 31 January 2022

	Note	2022 £'000	2021 £'000
Profit for the financial year		60,566	80,981
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit and loss account in subsequent years			
Re-measurement gains/(losses) on defined benefit plans	19	4,800	(1,200)
Tax on items relating to components of other comprehensive income	9	(1,200)	228
Total other comprehensive income/(loss), net of tax		3,600	(972)
Total comprehensive income for the year		64,166	80,009

Notes 1 to 26 form an integral part of these financial statements.

SAGA GROUP LIMITED
Balance sheet as at 31 January 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	10	5,241	5,178
Tangible assets	11	16,053	20,964
Investments in subsidiaries	12	108,990	108,990
		130,284	135,132
Current assets			
Debtors	13	1,030,512	963,300
Cash at bank and in hand		129,557	57,557
		1,160,069	1,020,857
Creditors - amounts falling due within one year	14	(653,674)	(567,603)
Net current assets		506,395	453,254
Total assets less current liabilities		636,679	588,386
Creditors - amounts falling due after more than one year	15	(84,309)	(94,605)
Provisions for liabilities	17	(274)	(451)
Retirement benefit scheme surplus/(obligations)	19	1,100	(4,300)
Net assets		553,196	489,030
Capital and reserves	18		
Called-up share capital		3,617	3,617
Share premium account		84	84
Capital contribution reserve		43,909	43,909
Retained earnings		505,586	441,420
Shareholders' funds		553,196	489,030

Signed for and on behalf of the Board by

R Shaw
Director
10 August 2022

Company Registration No. 00638891

Notes 1 to 26 form an integral part of these financial statements.

SAGA GROUP LIMITED
Statement of changes in equity for the year ended 31 January 2022

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Contribution Reserve £'000	Retained Earnings £'000	Total Shareholders' Funds £'000
At 1 February 2020	3,617	84	43,909	361,411	409,021
Profit for the financial year	-	-	-	80,981	80,981
Other comprehensive loss	-	-	-	(972)	(972)
At 31 January 2021	3,617	84	43,909	441,420	489,030
Profit for the financial year	-	-	-	60,566	60,566
Other comprehensive income	-	-	-	3,600	3,600
At 31 January 2022	3,617	84	43,909	505,586	553,196

Notes 1 to 26 form an integral part of these financial statements.

1. General information

Saga Group Limited (the "Company") is a company incorporated and domiciled in the UK (Company No. 00638891) with a registered office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

2. Significant accounting policies

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has reviewed the appropriateness of the going concern basis in preparing the financial statements, particularly in light of the COVID-19 pandemic, details of which are included in note 2(b). Based on those assumptions, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements.

The Company's financial statements are presented in the Company's functional currency, sterling, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Saga plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 24.

The Company has taken advantage of the following disclosure exemptions under FRS101:

a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 "Share Based Payment" because the share-based payment arrangement concerns the instruments of another group entity

b) the requirements of IFRS 7 "Financial Instruments: Disclosures"

c) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement"

d) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 "Revenue from Contracts with Customers"

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

e) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 "Leases".

f) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:

- i) paragraph 79(a)(iv) of IAS 1;
- ii) paragraph 73(e) of IAS 16 "Property, Plant and Equipment"; and
- iii) paragraph 118(e) of IAS 38 "Intangible Assets"

g) the requirements of paragraphs 10(d), 10(f), 16, 38A,38B-D, 40A-D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements"

h) the requirements of IAS 7 "Statement of Cash Flows"

i) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

j) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"

k) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Going concern

The Directors continue to have a reasonable expectation that the Company has access to adequate resources to continue in operation for the next 12 months and that the going concern basis of accounting remains appropriate. The Company continues to be financed by significant levels of intra-group debt, which is callable on demand. The ability of the Company to meet such obligations were they to be called would depend on similarly calling on receivables from other Group companies. As such, the Company is dependent on the continued support of the Saga Group, which given the interconnectedness of the activity across the Group and common directorships, is considered likely to continue for the foreseeable future.

The Company's business activities, together with the factors likely to affect its future development and performance, its exposure to risk and its management of these risks, are described on pages 2 - 4.

The Directors believe that the Company is well-placed to successfully manage its business risks and have a reasonable expectation that the Company will 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.

2. Significant accounting policies (continued)

b) Going concern (continued)

The impact of COVID-19 over the past two years has increased the level of uncertainty and earnings volatility for the Group, as it has done for many businesses, and particularly for the Group's Travel business. The Group's largest business is its Insurance operations, which have been resilient over the past two years and have remained profitable. The Group successfully recommenced operations in its Travel business during 2021, with UK-only cruises and holidays operating from July 2021, and a return to international cruises from the end of August 2021 and international tours from September 2021. The Travel business has continued to operate since, despite the increased disruption from the emergence of the Omicron variant in November 2021. Furthermore, the Group announced at the end of January 2022 its plans to restructure the operations of its Travel business, which is expected to create operational synergies and place the business in a strong position as travel restrictions ease further and customer demand continues to recover.

Since the start of the pandemic in early 2020, the Group has increased the frequency and depth of its long-term financial forecasting and scenario modelling to allow the Directors to take appropriate action to ensure the ongoing liquidity and solvency of the business. Over this period, the Group has undertaken a series of transactions to restructure its operations and capital structure, strengthening the Group's balance sheet to allow it to withstand a further period of uncertainty that may be faced in 2022 and beyond. These actions have allowed the Group to fully repay its senior secured bank debt facilities, bolster cash reserves, increase financial flexibility and extend the maturity profile of Group debt.

As disclosed in note 23 of the financial statements, the Company acts a guarantor for oil swap derivatives for other companies within the Group. The Company also is one of the guarantors for a super security provided to the trustees of the Saga Pension Scheme, which ranks before any liabilities under the Group's bank facilities. In addition to this, as part of the Saga plc Group, the Company provides the provision of shared back-office functions such as finance, treasury, IT, HR, Risk and Compliance to other companies within the Group. The Directors have therefore had to also consider the potential impact on the Company of trading stresses in other businesses within the Saga plc Group of companies and possible financial demands that may be placed on the Company.

The latest scenario modelling has considered a range of downside sensitivities, including further COVID-19 related disruption to the Group's Travel business, higher inflation driven in part by the Russia-Ukraine conflict, and an initial estimate of the impact of the FCA market study on general insurance pricing within the Insurance business, which is expected to have an adverse impact on profit before tax in 2022/23 and 2023/24. Further details on the actions taken and downside stress-testing for the Group are disclosed in the Group's latest annual report and accounts published on the Saga plc corporate website www.corporate.saga.co.uk. The Directors have a reasonable expectation that these stresses and potential demands will not undermine the going concern basis of accounting for the Company.

2. **Significant accounting policies (continued)**

b) Going concern (continued)

Management have also reviewed a range of other risks and inputs for the Group, with management satisfied that the going concern basis is appropriate. This review has included:

1. Warning and quantification of the PRUs facing the business. This has been supported by the Risk, Internal Audit and Finance functions and includes a range of activities, such as risk identification, assessment, mitigation design and effectiveness testing, incident reporting, audit and stress testing.
2. Long-and-short term planning information: incorporating annual five-year plans, budgets and intra-year forecasts of profitability and cash flow. Alongside these, the Company monitors and quantifies financial risks and opportunities as they arise, with planning information including specific consideration of the impact of the market study into general insurance pricing.
3. Compliance reporting across various regulatory bodies, and particularly the FCA.
4. Any cross-company trading relationships, guarantees and potential impact on these from PRUs facing the wider Saga plc Group.
5. Management information detailing recent actual trading performance against previous periods and budgeted performance levels.

Whilst the Company is dependent on the continued support of the wider Saga Group given the interconnectedness of the activity across the Group, based on the analysis performed the Directors have a reasonable expectation that the Company will continue to trade through the continued COVID-19 disruption and will have sufficient liquidity for at least the next 12 months. The Directors have therefore deemed it appropriate to prepare the financial statements for the year ended 31 January 2022 on a going concern basis.

2. Significant accounting policies (continued)

c) Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year, that are not readily apparent from other sources. However, the nature of estimation means that actual outcomes may differ from those estimates, and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of intangible and tangible fixed assets
The annual amortisation charge for intangible fixed assets and depreciation charge for tangible fixed assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of intangible fixed assets, note 11 for the carrying amount of tangible fixed assets and notes 2(f) and 2(g) for the useful economic lives for each class of asset.

ii) Valuation of pension benefit obligation
The cost of the Group's defined benefit pension scheme and the present value of the pension obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 19 for the carrying amount of the net defined benefit pension liability and note 2(m) for the accounting policy.

2. Significant accounting policies (continued)

c) Judgements and key sources of estimation uncertainty (continued)

iii) Investment in subsidiaries

The Company determines whether its investment in subsidiaries need to be impaired when indicators of impairment exist. This requires an estimation of the value-in-use of the subsidiaries owned by the Company. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the subsidiaries, discounted at a suitably risk-adjusted rate in order to calculate present value. See note 12 for the carrying amount of investment in subsidiaries and note 2(o) and 2(n) for the accounting policies.

d) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The Company measures all financial assets at fair value at each reporting date, other than those instruments measured at amortised cost.

The Company's financial assets at amortised cost include amounts due from group undertakings and trade debtors. The Company does not hold any financial assets classified as fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets at amortised cost

Initial Recognition

A financial asset is measured at amortised cost (plus any directly attributable transaction costs) if it meets both of the following conditions and is not elected to be designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent Measurement

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.

2. Significant accounting policies (continued)

d) Financial instruments (continued)

i) Financial assets (continued)

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred substantially all the risks and rewards relating to the asset to a third party.

ii) Impairment of financial assets

The expected credit loss ('ECL') impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI.

The Company measures loss allowances at an amount equal to 12-month ECLs, except for trade receivables and contract assets which are measured as lifetime ECLs that result from transactions within the scope of IFRS 15.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Company's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are recognised as a provision in the balance sheet with a corresponding charge to the income statement.

2. Significant accounting policies (continued)

d) Financial instruments (continued)

iii) Financial liabilities

Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, and lease liabilities.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings and other payables are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2. Significant accounting policies (continued)

e) Turnover

Turnover represents the invoiced amount of administration services supplied to other companies in the Group, revenue from the leasing of owned property to third-party companies and revenue from the provision of canteen and crèche services to group employees.

All business is carried out in the UK and is stated net of VAT.

f) Intangible fixed assets

Computer software costs recognised as assets are amortised over their estimated useful economic lives, which varies from asset to asset within a range of 3 – 10 years..

Intangible computer software fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such costs include those directly attributable to making the asset capable of operating as intended. The cost of computer software intangible fixed assets less their expected residual value is amortised by equal instalments over their useful economic lives.

Intangible assets capitalised as a result of development activities are amortised from the point in time when the asset is available for commercial use.

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

g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The cost of fixed assets less their expected residual value is depreciated on a straight-line basis over their useful economic lives. These lives are as follows:

Land and buildings	15 – 50 years
Fixtures, fittings and equipment	3 – 10 years
Computers, plant and other equipment	3 – 4 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful economic lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the income statement in the period of derecognition.

2. Significant accounting policies (continued)

h) Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

i) Leases

The Company leases various offices, warehouses and vehicles. The contract length of the lease varies considerably and may include extension or termination options as described below.

Leases are initially recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option will be included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the Company's incremental borrowing rate is used. This is the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions.

The finance cost is charged to the income statement over the lease period using the effective interest rate method and the lease liability is measured at amortised cost using the effective interest rate method.

Right-of-use assets are measured at cost comprising the present value of future lease payments plus any initial direct costs and restoration costs. Right-of-use assets are depreciated over the lease term on a straight-line basis.

2. Significant accounting policies (continued)

i) Leases (continued)

Payments associated with short-term leases of equipment and all leases of low-value assets are expensed in profit or loss as incurred in line with the exemption allowed under paragraph 6 of IFRS 16. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment.

Extension and termination options are included in property leases in the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options held are exercisable only by the Company and not by the respective lessor.

Income arising from leases where the Company acts as lessor is recognised on a straight-line basis over the lease term and is included in operating income.

j) Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are discounted to present value and carried at amortised cost, using the effective interest rate method. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Amounts due from group undertakings are classified as debtors. They have no fixed date of payment and are payable on demand. The amounts due from group undertakings are recognised at fair value.

k) Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at bank, on hand and short-term deposits with a maturity of three months or less from their inception date.

l) Trade and other creditors

Trade and other creditors are initially recognised at fair value, and where the time value of money is material, they are discounted to present value and measured at amortised cost using the effective interest method. They represent liabilities to pay for goods or services that have been received or supplied in the normal course of business, but for which payment has not yet been made.

Amounts due to group undertakings are classified as loans and borrowings. They have no fixed date of payment and are payable on demand. The amounts owed to group undertakings are recognised at fair value.

2. Significant accounting policies (continued)

m) Retirement benefit schemes

The Company operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit scheme is determined separately using the projected unit credit valuation method.

Actuarial gains and losses arising in the year are credited/charged to other comprehensive income and comprise the effects of changes in actuarial assumptions and experience adjustments due to differences between the previous actuarial assumptions and what has actually occurred. The difference between the interest income and the actual return on plan assets is also recognised in other comprehensive income.

Other movements in the net surplus or deficit, which include the current service cost, any past service cost and the effect of any curtailment or settlements, are recognised in the income statement. Past service costs are recognised in the income statement on the earlier of the date of plan curtailment and the date that the Company recognises restructuring-related costs. The interest cost less interest income on assets held in the plans is also charged to the income statement.

The defined benefit scheme is funded with assets of the scheme held separately from those of the Company, in a separate trustee administered fund. Scheme assets are measured using market values, and scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Full actuarial valuations are obtained at least triennially and are updated at each reporting date. The resulting defined benefit asset or liability is presented separately after adjusting for other net assets and liabilities on the face of the trust balance sheet. The value of a pension benefit asset is restricted to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

For the defined contribution scheme, the amount charged to the income statement is the total contributions payable in the year.

n) Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

o) Impairment of investment in subsidiaries

The Company assesses for indicators of impairment at each reporting date, and if necessary undertakes a full impairment review of the carrying value of investment in subsidiaries. The recoverable amount is estimated and compared to the carrying amount. If the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss is recognised immediately in the income statement.

2. Significant accounting policies (continued)

p) Income from shares in group undertakings

Interim dividend revenue is recognised when paid and final dividends are recognised when approved.

q) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future periods against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is dealt with in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2. Significant accounting policies (continued)

s) Share-based payments

Saga plc, the parent company of the Saga Group provides benefits to employees of the Company (including Directors) in the form of long-term incentives whereby employees render services in consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is measured at fair value and is recognised as an expense over the relevant vesting period, ending on the date on which the employee becomes fully entitled to any award.

In valuing equity settled transactions, assessment is made of any vesting conditions to categorise these into market performance conditions, non-market performance conditions, and service conditions.

Where the equity settled transactions have market performance conditions (that is, performance which is directly or indirectly linked to the share price of Saga plc), the fair value of the award is assessed at the time of grant and is not subsequently remeasured, regardless of the actual level of vesting achieved, except where an employee ceases to be employed prior to the vesting date.

For service conditions and non-market performance conditions, the fair value of the award is assessed at the time of grant and is reassessed at each reporting date to reflect updated expectations for the level of vesting. No expense is recognised for awards that ultimately do not vest.

t) Interest income

Interest on the Company's investment and current accounts is recognised as interest accrues.

u) Non-trading items

Items which derive from events or transactions that fall outside of the ordinary activities of the Company and which are material, or if of a similar type are material in aggregate, are treated as non-trading. Non-trading items are charged or credited to the income statement as appropriate.

3. Turnover

Turnover represents the invoiced amount of administrative services supplied to other companies in the Group amounting to £43,591k (2021: £49,518k), and the remaining revenue of £1,313k (2021: £1,425k) mainly relates to rental income from the lease of owned property and revenue received for the provision of canteen and crèche services to employees of the Group. All business is carried out in the UK and is stated net of VAT.

4. Operating loss

	2022 £'000	2021 £'000
This is stated after charging/(crediting):-		
Depreciation of owned tangible fixed assets (note 11a)	1,381	2,101
Depreciation of right of use tangible fixed assets (note 11b)	1,191	3,017
Amortisation of intangible fixed assets (note 10)	2,817	5,190
Impairment of owned tangible fixed assets (note 11a)	59	403
Impairment of intangible fixed assets (note 10)	536	132
Profit on disposal of owned tangible fixed assets (note 11a)	(2,350)	-
Loss on disposal of right of use tangible fixed assets (note 11b)	-	366
Loss on disposal of intangible fixed assets (note 10)	-	165
Gain on lease modification of right of use tangible fixed assets	283	7,760
Auditor's remuneration - audit of financial statements	56	53
Intra-group loan written off	-	2,434
Intra-group loan forgiven	(46)	(239)
Non-trading items:		
Operational restructuring and other costs	2,398	6,787

Any fees paid to the Company's auditor, KPMG LLP, for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the ultimate parent undertaking, Saga plc, are required to disclose non-audit fees on a consolidated basis.

During the year, Saga Healthcare Limited forgave a £46k intra-group loan which was owed by the Company.

During the prior year, the Company wrote off a £2,434k intra-group loan which was owed to it by Destinology Limited.

During the prior year, Saga Healthcare Limited forgave intra-group loans of £212k, which was owed by the Company. In addition, in the prior year, a number of dormant companies owned by the Company forgave £27k of intra-group loans.

In the prior year, the gain of £7,760k on lease modification of right of use tangible fixed assets related to leasehold land and buildings and resulted from the Group's decision to initiate an active program to locate buyers for a number of its freehold properties which the Company currently sub-leases.

The non-trading operational costs primarily relate to restructuring costs.

5. Interest receivable and similar income

	2022 £'000	2021 £'000
Interest on deposits	4	33
	4	33

6. Interest payable and similar charges

	2022 £'000	2021 £'000
Net interest and finance charges payable on lease liabilities	399	1,929
Loan interest payable	150	451
	549	2,380

7. Directors' remuneration

	2022 £'000	2021 £'000
Aggregate remuneration in respect of qualifying services	188	151

	2022	2021
Members of defined benefit pension scheme:	1	1

8. Staff costs

	2022 £'000	2021 (re-presented) £'000
Wages and salaries	21,489	27,563
Social security costs	2,519	3,290
Pension costs	2,631	3,890
Other costs	1,404	1,471
	28,043	36,214

	2022	2021
Defined benefit pension current service cost (note 19)	5,500	8,000
Defined benefit pension past service cost (note 19)	2,000	-
Average number of persons employed during the year was:	419	554

Staff costs for the year ended 31 January 2021 have been re-presented to reclassify £6,787,000 of restructuring costs previously reported as 'Other costs' to 'Wages and salaries' (£5,964,000) and 'Social security costs' (£823,000).

9. Taxation

	2022 £'000	2021 £'000
Tax credited in the income statement		
Current tax		
UK corporation tax at 19.00% (2021: 19.00%)	(5,014)	(6,403)
Adjustment in respect of prior periods	891	(2,167)
Total current income tax	(4,123)	(8,570)
Deferred tax		
Origination and reversal of timing differences	1,188	503
Retirement benefit scheme liabilities	(108)	456
Adjustment in respect of prior periods	(87)	48
Effect of rate change on opening balance	(945)	(496)
Total deferred tax	48	511
Tax credit on profit on ordinary activities	(4,075)	(8,059)

	2022 £'000	2021 £'000
Tax relating to items charged or credited to other comprehensive income		
Deferred tax		
Actuarial gain/(loss) on defined benefit pension plans	1,200	(228)
Total deferred tax	1,200	(228)
Tax charge/(credit) in the statement of other comprehensive income	1,200	(228)

	2022 £'000	2021 £'000
Pre-tax profit at 19.00% (2021: 19.00%)	10,733	13,855
Non-taxable income	(14,658)	(21,007)
Permanent differences	18	1,746
Adjustments relating to prior years	804	(2,119)
Effect of rate change on opening balance	(945)	(496)
Exercise of share options	(27)	(38)
Total tax credit for the year	(4,075)	(8,059)

The tax credit for the current and prior year is entirely made up of receipts from other group companies for group relief.

Recognition of Company deferred tax assets is based on profitability of other group companies and anticipated group relief claims.

9. Taxation (continued)

On 3 March 2021, it was announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023. This increase was substantively enacted on 24 May 2021. As a result, the closing deferred tax balances at the statement of financial position date have been reflected at 25%.

10. Intangible fixed assets

	Software £'000
Cost	
At 1 February 2021	25,046
Additions	3,416
At 31 January 2022	28,462
Amortisation	
At 1 February 2021	19,868
Charge for year	2,817
Impairment charge	536
At 31 January 2022	23,221
Net book value	
At 31 January 2022	5,241
At 31 January 2021	5,178

Intangible assets amortisation is recorded in administrative expenses in the income statement.

In the prior year, the loss on disposal of software was £165k.

11. Tangible fixed assets

	2022 £'000	2021 £'000
Owned assets (a)	5,345	10,994
Right of use assets (b)	10,708	9,970
	16,053	20,964

(a) Owned assets

	Long Leasehold Land & Buildings £'000	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computers, Plant & Machinery equipment £'000	Total £'000
Cost					
At 1 February 2021	5,128	7,800	15,615	10,514	39,057
Additions	-	-	3,192	499	3,691
Disposals	-	(7,800)	(534)	(1,665)	(9,999)
At 31 January 2022	5,128	-	18,273	9,348	32,749
Depreciation					
At 1 February 2021	4,967	234	14,163	8,699	28,063
Charge for year	40	52	358	931	1,381
Disposals	-	(286)	(148)	(1,665)	(2,099)
Impairment charge	-	-	-	59	59
At 31 January 2022	5,007	-	14,373	8,024	27,404
Net book value					
At 31 January 2022	121	-	3,900	1,324	5,345
At 31 January 2021	161	7,566	1,452	1,815	10,994

The profit on disposal of freehold land & buildings was £2,736k (2021: £nil) before deduction of transaction costs of £97k (2021: £nil).

The loss on disposal of fixtures & fittings was £386k (2021: £nil).

No profit or loss on disposal arose on computers, plant & machinery equipment (2021: £nil).

11. Tangible fixed assets (continued)

(b) Right of use assets

	Leasehold Land & Buildings £'000	Plant & Machinery Equipment £'000	Total £'000
Cost			
At 1 February 2021	14,052	2,900	16,952
Additions	1,334	681	2,015
Effect of modification of lease terms	(5,153)	-	(5,153)
Transfer of asset class	3,893	-	3,893
At 31 January 2022	14,126	3,581	17,707
Depreciation			
At 1 February 2021	5,173	1,809	6,982
Charge for year	593	598	1,191
Effect of modification of lease terms	(5,067)	-	(5,067)
Transfer of asset class	3,893	-	3,893
At 31 January 2022	4,592	2,407	6,999
Net book value			
At 31 January 2022	9,534	1,174	10,708
At 31 January 2021	8,879	1,091	9,970

In the prior year, the loss on disposal of leasehold land & buildings was £366k.

12. Investment in subsidiaries

	2022 £'000	2021 £'000
Cost		
At 1 February	109,002	57,710
Additions	51,292	51,292
Disposals	(51,304)	-
At 31 January	108,990	109,002
Amounts provided for		
At 1 February	12	-
Amounts provided in the year	-	12
Disposals	(12)	
At 31 January	-	12
Net book amount		
At 31 January	108,990	108,990

In the prior year, the Company injected £51,292k, through a subordinated loan, into its subsidiary undertaking, ST&H Limited, which is regulated by the Civil Aviation Authority. In the current year, the Company re-assigned this subordinated loan to its subsidiary undertaking, Titan Travel Group Limited, which is also regulated by the Civil Aviation Authority.

During the current year the Company also wound up a number of its dormant subsidiaries which had previously been provided for in full.

A list of the subsidiary undertakings of Saga Group Limited is included in note 26 to the accounts.

13. Debtors

	2022 £'000	2021 £'000
Due after more than one year		
Amounts due from group undertakings	984,764	903,281
Deferred taxation	2,736	3,984
	987,500	907,265

	2022 £'000	2021 £'000
Due within one year		
Trade debtors	268	156
Amounts due from group undertakings	30,366	45,619
Corporation Tax recoverable	4,920	3,673
Other debtors	2,606	1,852
Prepayments and accrued income	4,852	4,735
	43,012	56,035
Total	1,030,512	963,300

Deferred tax comprises short term timing differences of £1,446k (2021: £1,359k), an excess of depreciation over capital allowances of £1,565k (2021: £1,808k) and a deferred tax liability of £275k in relation to the retirement benefit scheme surplus (2021: £817k asset). Recognition of Company deferred tax assets is based on profitability of other group companies and anticipated group relief claims.

14. Creditors - amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,259	1,034
Amounts due to group undertakings	636,767	554,411
Other taxes and social security	2,224	1,940
Lease liabilities	1,077	1,604
Other creditors	822	769
Accruals	11,525	7,845
	653,674	567,603

15. Creditors - amounts falling due after more than one year

	2022 £'000	2021 £'000
Lease liabilities	10,920	10,447
Amounts due to group undertakings	73,389	84,158
	84,309	94,605

16. Lease commitments

Future minimum lease payments under lease contracts together with the present values of the net minimum lease payments are as follows:

	2022 £'000	2021 £'000
Within one year	1,489	2,017
Between two and five years	5,226	4,155
After five years	8,418	9,184
Total minimum lease payments	15,133	15,356
Less amounts representing finance charges	(3,136)	(3,305)
Present value of minimum lease payments	11,997	12,051

17. Provisions for liabilities

	Employer Liability Provisions £'000	Total Provisions £'000
Balance as at 1 February 2021	451	451
Utilised during the year	(194)	(194)
Charge for the year	17	17
Balance as at 31 January 2022	274	274

The employer liability provision relates to various group related, self-funded insurance arrangements. The outflow from this provision depends on the timing of the settlement of claims.

18. Called up share capital and reserves

	2022 £'000	2021 £'000
Allotted, called up and fully paid		
18,086,076 ordinary shares at 20p each	3,617	3,617

The share premium reserve represents the premium arising on the issue of equity shares, net of issue expenses.

The capital contribution reserve is in respect of contributions from the ultimate parent company, Saga plc, in relation to share-based awards made by it to the Company's employees. Further information can be found in the financial statements of Saga plc.

Retained earnings represent cumulative profit or losses, net of dividends and other adjustments.

19. Retirement benefit scheme

The Company is a sponsoring employer of pension retirement benefit schemes for the employees of the Group consisting of defined contribution plans and a defined benefit plan.

a. Defined contribution plan:
The total charge for the year in respect of the employer's contributions for the defined contribution schemes was £4.3 million (2021: £2.9 million). The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

b. Defined benefit plan
The Saga Pension Scheme was closed to future accrual on 31 October 2021 (see below). From 1 November 2021, members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the Consumer Price Index (CPI). During the year, a net expense of £2.0 million was recognised as a past service cost (within administrative and marketing expenses) relating to the closure. The assets of the scheme are held separately from those of the Company in independently administered funds.

The scheme is governed by the employment laws of the UK. The level of benefits provided depends on the member's length of service and average salary whilst a member of the scheme. The scheme requires contributions to be made to a separately administered fund which is governed by the Board of Trustees and consists of an equal number of employer and employee representatives. The Board of Trustees (the "Trustees") is responsible for the administration of the plan assets and for the definition of the investment strategy.

The long-term investment objectives of the Trustees and the Group are to limit the risk of the assets failing to meet the liabilities of the scheme over the long-term, and to maximise returns consistent with an acceptable level of risk so as to control the long-term costs of the scheme. To meet those objectives, the scheme's assets are invested in different categories of assets, with different maturities designed to match liabilities as they fall due. The investment strategy will continue to evolve over time and is expected to match the liability profile increasingly closely. The pension liability is exposed to inflation rate risks and changes in the life expectancy of members. As the plan assets include investments in quoted equities, the Group is exposed to equity market risk. The Group has provided a super security to the Trustees of the scheme, which ranks before any liabilities under the senior facilities agreement. The value of the security has been increased from being capped at £32.5 million, to being capped at £47.5 million, following the latest triennial valuation of the scheme as at 31 January 2020 which was completed early in the current year.

19. Retirement benefit scheme (continued)

The fair value of the assets and present value of the obligations of the Saga defined benefit scheme are as follows:

	2022 £'000	2021 £'000
Fair value of scheme assets	412,000	411,200
Present value of defined benefit obligation	(410,900)	(415,500)
Defined benefit scheme asset/(liability)	1,100	(4,300)

The present values of the defined benefit obligation, the related current service cost and any past service costs have been measured using the projected unit credit valuation method.

a. The assets and liabilities of the scheme as at 31 January are:

	2022 £'000	2021 £'000
Scheme assets at fair value		
Equities	50,200	51,700
Bonds	159,400	203,000
Property and alternatives	58,400	39,600
Hedge funds	133,500	99,800
Insured annuities	5,300	6,100
Cash and other	5,200	11,000
Fair value of scheme assets	412,000	411,200
Present value of scheme liabilities	(410,900)	(415,500)
Defined benefit scheme asset/(liability)	1,100	(4,300)

Equities and bonds are all quoted in active markets, whilst property and hedge funds are not. The impact of COVID-19 over the past two years has increased the level of uncertainty and volatility in global financial markets and these continue to react to the pandemic. The COVID-19 pandemic continues to be an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak and related variants. Whilst the ultimate extent of the effect of this on the asset portfolio is not possible to quantify at this time, management has used the latest available fund pricing data to derive the valuations of assets which are not quoted in active markets.

The pension scheme has not invested in any of the Group's own financial instruments.

19. Retirement benefit scheme (continued)

b. The amounts recognised in the income statement and in the statement of comprehensive income for the year are analysed as follows:

	2022 £'000	2021 £'000
Pension cost charge to the income statement		
Current service cost	(5,500)	(8,000)
Past service cost	(2,000)	-
Net interest income	-	-
Net cost	(7,500)	(8,000)

	2022 £'000	2021 £'000
Net interest income recognised in the income statement		
On scheme assets	5,900	6,300
On defined benefit obligation	(5,900)	(6,300)
Net interest income	-	-

	2022 £'000	2021 £'000
Taken to the statement of comprehensive income		
Return on scheme assets	(5,800)	31,500
Actuarial changes arising from demographic assumptions	(5,300)	6,200
Actuarial changes arising from changes in financial assumptions	16,200	(24,700)
Experience adjustments	(300)	(14,200)
Recognised in the statement of comprehensive income	4,800	(1,200)

19. Retirement benefit scheme (continued)

c. Changes in the present value of the defined benefit obligations are as follows:

	2022 £'000	2021 £'000
Opening defined benefit obligation	415,500	377,800
Current service cost	5,500	8,000
Past service cost	2,000	-
Interest cost	5,900	6,300
Contributions by scheme participants	100	300
Experience losses	300	14,200
Changes in assumptions underlying the present value of scheme liabilities	(10,900)	18,500
Net benefits paid out	(7,500)	(9,600)
Closing defined benefit obligation (a)	410,900	415,500

d. Changes in the fair value of plan assets are as follows:

	2022 £'000	2021 £'000
Opening fair value of scheme assets	411,200	372,300
Interest income on scheme assets	5,900	6,300
Contributions by employer	8,100	10,400
Contributions by scheme participants	100	300
Benefits paid	(7,500)	(9,600)
Return on scheme assets	(5,800)	31,500
Closing fair value of scheme assets (a)	412,000	411,200

The principal assumptions used in determining pension benefit obligations for the Saga Scheme are shown below:

	2022	2021
Real rate of increase in salaries	-	2.60%
Real rate of increase of pensions in payment	3.45%	2.70%
Real rate of increase of pensions in deferment	3.30%	2.55%
Discount rate - pensioner	2.20%	1.35%
Discount rate – non pensioner	2.15%	1.45%
Inflation - pensioner	3.80%	2.80%
Inflation – non pensioner	3.60%	2.60%
Life expectancy of a member retiring in 20 years' time – Male	27.8 yrs	27.2 yrs
Life expectancy of a member retiring in 20 years' time – Female	29.5 yrs	29.0 yrs

19. Retirement benefit scheme (continued)

In the current year, management decided to take a more prudent approach to the derivation of the inflation rate assumption, aligning this to the most recent Trustees' valuation by removing the inflation risk premium applied previously. The impact of this change in assumption was a £19.0m uplift in the defined benefit obligation as at 31 January 2022.

Mortality assumptions are set using standard tables based on specific experience, where available, and allow for future mortality improvements. The Saga scheme assumption is that a member currently aged 60 will live on average for a further 26.2 years if they are male and on average for a further 28.0 years if they are female.

A quantitative sensitivity analysis for significant assumptions as at 31 January 2022 and their impact on the net defined benefit obligation is as follows:

Assumptions	Discount rate		Future inflation		Life expectancy	
Sensitivity	+ / - 0.25%		+ / - 0.25%		+ / - 1 year	
	Increase	*Decrease*	*Increase*	*Decrease*	*Increase*	*Decrease*
Impact £m	(23.3)	25.2	11.9	(10.3)	14.4	(14.0)

Note: a positive impact represents an increase in the net defined benefit liability.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The expected contribution, in respect of the accrual of benefits, payable to the Saga scheme for the next financial year is £nil and the average duration of the defined benefit plan obligation at the end of the reporting period is 22 to 23 years. Formal actuarial valuations take place every three years for the scheme. The assumptions adopted for actuarial valuations are determined by the Trustees and are agreed with the Group and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are best estimate. Where a funding deficit is identified, the Group and the Trustees may agree a deficit recovery plan to pay additional contributions above those needed to fund the scheme.

19. Retirement benefit scheme (continued)

The Group's latest triennial valuation of the Saga Scheme defined benefit plan as at 31 January 2020 was completed during the year. Saga plc, and certain guarantor subsidiaries in the Group, have provided a super security to the Trustees of the Saga Scheme, which ranks before any liabilities under the Group's bank facilities. The value of the security has been increased from being capped at £32.5 million, to being capped at £47.5 million under the latest triennial valuation. Further to this valuation, a recovery plan is in place for the scheme. Under an agreed deficit recovery plan totalling £39.0m, the Group made an additional payment of £4.2 million during the year ended 31 January 2022 and will make annual payments of £5.8 million totalling a further £34.8 million over the next six financial years, with the last payment being made on 29 February 2027. The total expected contributions in the year ending 31 January 2023 are £5.8 million and entirely relate to the £5.8 million additional payment.

The Group has also agreed to pay additional amounts into an Escrow account should asset returns fall below an agreed level over set periods of time. Dependent upon the level of return on the scheme's assets between 31 January 2020 and 31 January 2027, any amount in the Escrow account will be released to either the Group or the scheme by 30 June 2027.

The International Financial Reporting Interpretations Committee (IFRIC) has published an interpretation of IAS 19 (IFRIC 14) which is effective for accounting years commencing on or after 1 January 2008. It concerns the treatment of surpluses and the impact of statutory funding requirements. Having taken external legal advice with regard to the rights of the Group under the Trust deeds and rules, management is comfortable that the Group has an unconditional right to a refund of a surplus.

Pension consultation

In July 2021, following the completion of a review of the Group's pension arrangements, a consultation process with active members was launched. The consultation process concluded during October, and with effect from 31 October 2021, the Group closed both its existing schemes to future accrual; the Saga Pension Scheme (its defined benefit plan) and the Saga Workplace Pension Plan (its defined contribution plan). In their place, the Group launched a new defined contribution pension scheme arrangement, operated as a Master Trust. This move served to reduce the risk of further deficits developing in the future on the defined benefit scheme, whilst moving to a fairer scheme for all colleagues.

As a result of the Saga Pension Scheme closure, a £2.0 million net expense has crystalised in the income statement as a past service cost. This expense was driven by a £2.5 million debit from an increase in scheme liabilities due to all members becoming deferred members upon closure. This was offset by a £0.5 million credit from the removal of the ill-health benefit post closure.

20. Share-based payments

Saga plc, the ultimate parent of the Saga Group, uses equity-settled share plans to grant options and shares to the Company's Directors and employees. Equity-settled share-based payments issued to the Company's employees are measured at fair value and that this value is expensed over the vesting period.

Share options are granted under the Saga plc Long-Term Incentive Plan ('LTIP') and Restricted Share Plan ('RSP').

The LTIP is a discretionary executive share plan. Under the LTIP, the Saga plc Board may, within certain limits and subject to applicable performance conditions, grant options over shares in Saga plc. Up to 31 January 2017, these options are 50% linked to a non-market vesting condition, EPS, and 50% linked to a market vesting condition, TSR. From 1 February 2017 to 31 January 2018, these options are 60% linked to non-market vesting conditions (30% linked to basic EPS and 30% linked to organic EPS) and 40% linked to a market vesting condition, TSR. From 1 February 2018, these options are 60% linked to non-market vesting conditions (30% linked to organic EPS and 30% linked to ROCE) and 40% linked to a market vesting condition, TSR. From 1 February 2019, these options are 75% linked to non-market vesting conditions (50% linked to operational and strategic measures and 25% linked to ROCE) and 25% linked to a market vesting condition, TSR. The fair value of the options has been calculated using a Black-Scholes valuation.

The RSP is a discretionary executive share plan under which the Board may grant options over shares in Saga plc.

The table below summarises the movements in the number of share options outstanding for the employees of the Company and their weighted average exercise price:

	RSP	LTIP
Outstanding at 1 February 2021	244,931	273,724
Granted during the year	217,295	-
Forfeited during the year	(957)	(59,049)
Exercised during the year	-	(369)
Outstanding at 31 January 2022	461,269	214,306
Exercise price	£nil	£nil
Exercisable at 31 January 2022	-	8,944
Average remaining contractual life	1.9 years	0.7 years
Average fair value at grant	£3.25	£7.53

Details of the information relevant in determining the fair value of options granted is available in the financial statements of Saga plc.

21. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries in the Saga Group of companies.

22. Contingent liabilities

Whilst the Company has committed to provide ongoing financial support (as required) to certain other group companies with net liabilities at the year end, in the opinion of the Directors no material loss will arise in respect of this financial support.

23. Cross company guarantees

The Company acts as guarantor for oil swap derivatives purchased by Saga Cruises Limited up to the value of £7.5 million.

The Company has provided a super security to the Trustees of the Saga Pension Scheme, which ranks before any liabilities under the Group's bank facilities. The value of the security is capped at £47.5 million under the latest triennial valuation (previously £32.5 million).

24. Ultimate parent undertaking

The immediate parent undertaking is Saga Leisure Limited, a company which is registered in England and Wales. The Company is wholly owned by Saga Leisure Limited.

In respect of the year ended 31 January 2022, Saga plc is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

A copy of the financial statements of Saga plc for the year ended 31 January 2022 may be obtained from the corporate website www.corporate.saga.co.uk or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

25. Ultimate controlling party

The Directors consider the ultimate controlling party to be Saga plc.

26. Subsidiary undertakings

The entities listed below are wholly owned subsidiaries of the Company. The registered office address for all entities registered in England is Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE. The registered office address of Saga Cruises GmbH is Industriegebiet Süd, 26871, Papenburg, Niedersachsen, Germany. The registered office address of Saffron Maritime Limited is Aspire Corporate Services Limited, P.O Box 191, Elizabeth House, Ruettes Brayes, St Peter Port, Guernsey, GY1 4HW.

Company name	Country of registration	Nature of business
Saga Services Limited	England	Financial services
PEC Services Limited	England	Repair of automotive vehicles
ST&H Limited	England	Tour operating
Titan Travel Group Limited	England	Tour operating
Titan Transport (UK) Limited	England	Tour operating
Titan Travel (UK) Limited	England	Tour operating
Titan Travel Group Limited	England	Tour operating
Titan Transport Limited (formerly Saga Transport Limited)	England	Tour operating
Saga Cruises Limited	England	Cruising
Saga Cruises IV Limited	England	Cruising
Saga Cruises V Limited	England	Cruising
Saga Cruises VI Limited	England	Cruising
Saga Cruises GmbH	Germany	Cruising
Saga Crewing Services Limited	England	Cruising
Saffron Maritime Limited	Guernsey	Cruising
Saga Personal Finance Limited	England	Regulated investment products
MetroMail Limited	England	Mailing house
Saga Publishing Limited	England	Publishing
Saga Membership Limited	England	Customer loyalty scheme
Driveline Group Limited	England	Holding company
ST&H Group Limited	England	Holding company
Confident Services Limited	England	Dormant company
Driveline Europe Limited	England	Dormant company
Driveline Travel Limited	England	Dormant company
Enbrook Cruises Limited	England	Dormant company
Saga Cruises I Limited	England	Dormant company
Saga Flights.com Limited	England	Dormant company
Saga Healthcare Limited	England	Dormant company
Saga Holidays Limited	England	Dormant company
Saga Radio (North West) Limited	England	Dormant company
Saga Shipping Company Limited	England	Dormant company
Spirit Of Adventure Limited	England	Dormant company
ST&H Transport Limited	England	Dormant company
Titan Aviation Limited	England	Dormant company
Titan Travel Holdings Limited	England	Dormant company
Titan Travel Limited	England	Dormant company