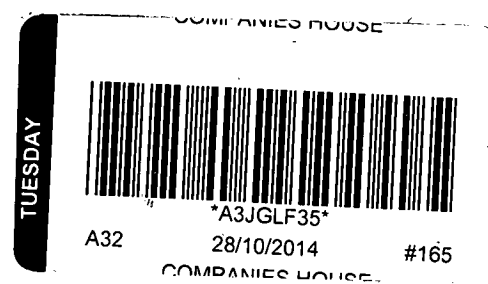


SAGA SERVICES LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

31 JANUARY 2014



SAGA SERVICES LIMITED

The Directors submit the Strategic Report, Directors' Report and the audited Financial Statements of Saga Services Limited ("the Company") for the year ended 31 January 2014.

Strategic Report

Review of Business Developments and Principal Activity

The principal activity of the Company is the provision of insurance intermediary services to people aged fifty and over. The Company is regulated by the Financial Conduct Authority (formerly the Financial Services Authority.) The Company has completed a very satisfactory year during which significant resources were invested in strengthening Saga's position as a key player in its chosen market.

The Directors anticipate further development of the business in the coming year.

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

	2014	2013	Change
	£'000	£'000	%
Turnover	265,095	228,633	15.9%
Other operating income	22	73	(69.9%)
Staff costs	(32,848)	(31,936)	(2.9%)
Depreciation of fixed assets	(5,088)	(3,265)	(55.8%)
Other operating charges	(58,780)	(61,770)	4.8%
Total expenses	(96,716)	(96,971)	0.3%
Expense ratio	36.5%	42.4%	5.9%
Profit before taxation	168,401	131,735	27.8%
EBITDA	173,489	135,000	28.5%
Average number of employees	1,506	1,572	(4.2%)

Turnover for the year to 31 January 2014 was £265,095,000, up 15.9% on the previous year, and was predominately generated by the Company's principal activity.

The average monthly number of employees has decreased 4.2% over the previous year whilst Staff costs have increased 2.9% to £32,848,000. Other operating charges have decreased by 4.8% to £58,780,000. The expense ratio (defined as the amount of turnover expended on operating costs) has improved to 36.5% (2013 – 42.4%).

For decision making and internal performance management, management's key performance metric is Earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA for the year was £173,489,000, up 28.5% on the previous year.

The profit before taxation for the year amounts to £168,401,000 (2013 - £131,735,000). After taxation, a profit of £129,054,000 (2013 - £99,564,000) has been transferred to reserves. Dividends on ordinary shares paid to Saga Group Limited amounted to £130,500,000 (2013 - £99,500,000).

SAGA SERVICES LIMITED

Strategic Report (continued)

Risk Management Framework

The business has developed an embedded enterprise risk management process that facilitates the identification, assessment, escalation and mitigation of the Company's risk exposure across every aspect and activity of the business. This framework enables the business to manage risk using predefined assessment criteria to ensure residual risk levels are in line with the Board's agreed risk appetite.

Risk information is formally reviewed on a quarterly basis and is a standard agenda item at each of the core business forums.

The principal risks have been grouped into the following categories:

Competitive Risk

The Company continues to operate in highly competitive markets with increasing numbers of competitors recognising that the over 50's is an attractive market segment. This could lead to increased price competition with the effect of reduced margins or reduced market share. These risks are managed through promotion of the group brand, 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 Company recognises that the Saga brand is a key differentiator and source of competitive advantage, and brand damage from low quality products or services could have an adverse impact on the Company. The Company has in place policies and procedures to protect the brand at all times.

Regulatory Risk

The Company is required to comply with the regulations of the Financial Conduct. A failure to comply with these regulations could cause the Company to incur fines or be unable to continue trading. These risks are managed through a dedicated compliance team.

Operational Risk

Key operational risks the Company faces include call centre disruption through loss of telephony or IT infrastructure, loss of physical infrastructure (such as building loss or access restrictions), loss of data and insufficient staff being available to handle call volumes. The disaster recovery plan is updated twice yearly and key elements of the plan are tested on a revolving basis, and the Company performs on-going contingency planning. The infrastructure investment requirements of the business are reviewed regularly, and training plans help to maximize staff flexibility.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for that other party by failing to discharge an obligation. The Company's policies are aimed at minimising such losses, and require that deferred payment terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.

In order to manage these risks, the Company has put in place rigorous procedures and controls designed to prevent these risks occurring or, where this is not possible, to mitigate their effects. These controls are monitored by the Risk, Compliance and Internal Audit functions to ensure they are working effectively.

By order of the Board



V Haynes
Secretary

25 July 2014

SAGA SERVICES LIMITED
Directors' Report

Directors: J A Goodsell
P F Callander
A Davies
A L Hoskins
S M Howard
C A Melvin (appointed 1 March 2013)
R C Ramsden
W R Treen

Secretary: V Haynes (appointed 31 July 2013)
A P Stringer (resigned 31 July 2013)

Registered Office: Enbrook Park, Folkestone, Kent CT20 3SE

Company Registration Number: 732602

Employee involvement

During the year the Company has maintained the practice of keeping employees informed about current activities and progress by various methods including a regular staff newsletter. Employee participation and involvement is encouraged.

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 and qualifications, 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.

SAGA SERVICES LIMITED
Directors' Report (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the Group's policy to maintain indemnity insurance for Directors and officers.

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 the 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.

SAGA SERVICES LIMITED
Directors' Report (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, its performance, position, risk management objectives, and its exposure to competitive, operational, regulatory and brand risk, are described on pages 1 and 2.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the Auditor Ernst & Young LLP is deemed re-appointed.

By order of the Board



V Haynes
Secretary

25 July 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGA SERVICES LIMITED

We have audited the financial statements of Saga Services Limited for the year ended 31 January 2014 which comprise the Profit and Loss Account, the Reconciliation of movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

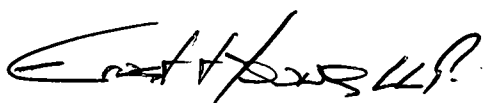
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Benjamin Gregory (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 July 2014

SAGA SERVICES LIMITED**Profit and loss account for the year ended 31 January 2014**

	Note	2014 £'000	2013 £'000
Turnover	2	265,095	228,633
Other operating income		22	73
Staff costs	5	(32,848)	(31,936)
Depreciation of fixed assets	8	(5,088)	(3,265)
Other operating charges		(58,780)	(61,770)
Profit on ordinary activities before taxation	3	168,401	131,735
Taxation	6	(39,347)	(32,171)
Profit on ordinary activities after taxation	14	129,054	99,564

All income and expenditure arises from continuing operations.

There were no recognised gains or losses other than the amounts included above.

Reconciliation of movements in shareholders' funds

	Note	2014 £'000	2013 £'000
Total recognised gains and losses relating to the year		129,054	99,564
Dividends paid	7	(130,500)	(99,500)
Net movement in shareholders' funds		(1,446)	64
Shareholders' funds brought forward		116,215	116,151
Shareholders' funds carried forward		114,769	116,215

Notes 1 to 19 form an integral part of these financial statements.

SAGA SERVICES LIMITED
Balance sheet as at 31 January 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	9,265	6,401
		<u>9,265</u>	<u>6,401</u>
Current assets			
Debtors	9	227,008	266,968
Cash at bank and in hand	10	23,585	17,808
		<u>250,593</u>	<u>284,776</u>
Creditors – amounts falling due within one year	11	(144,596)	(174,538)
Net current assets		<u>105,997</u>	<u>110,238</u>
Total assets less current liabilities		115,262	116,639
Provisions for liabilities	12	(493)	(424)
Net assets		<u>114,769</u>	<u>116,215</u>
Capital and reserves			
Called up share capital	13	2,100	2,100
Profit and loss account	14	112,669	114,115
Shareholders' funds		<u>114,769</u>	<u>116,215</u>

Signed for and on behalf of the Board by



P F Callander
 Director
 25 July 2014

Notes 1 to 19 form an integral part of these financial statements.

SAGA SERVICES LIMITED
Notes to the financial statements

1. Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in the Companies Act 2006 s.464.

b) Turnover

Revenues received in connection with the sale or renewal of insurance policies are recognised at the commencement of the period of risk. Additional revenue may be earned dependent upon the underwriting results of the business insured. This income is recognised when the results of this business can be determined reasonably. Income received in advance relating to long term commercial agreements is recognised when the Company has performed its contractual obligations. Other revenue is recognised when the Company's right to receive payment is established.

Amounts charged to customers as interest under the Consumer Credit Act 1974 are earned over the term of the related instalment payment plans.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The cost of fixed assets less their expected residual value is depreciated by equal instalments over their useful economic lives. These lives are as follows:

Computer hardware	3 years
Computer software	3 years

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

d) Advance receipts

Insurance premiums received which relate to insurance policies incepting after the year end are treated as receipts in advance at the balance sheet date and are separately disclosed within creditors.

e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

SAGA SERVICES LIMITED

Notes to the financial statements (continued)

1. Accounting policies (continued)

f) Pension benefits

Annual contributions are made to the UK defined benefit pension Scheme on the advice of actuaries for funding of retirement benefits in order to build up reserves for participating employees during the employee's working life to pay to the employee or dependent a pension after retirement.

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company accounts for its pension expense on a defined contribution basis in accordance with FRS 17 (Retirement benefits). The costs of providing these benefits are charged to the profit and loss account on a regular basis. Amounts charged to operating profit represent the contributions payable to the scheme in the year.

g) Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

i) Cash flow statement

The Directors have taken advantage of the exemption available under FRS 1 (Cash flow statements) of the requirement to prepare a cash flow statement as a consolidated cash flow statement has been presented in the financial statements of the ultimate parent undertaking, Acromas Holdings Limited.

2. Turnover

Turnover primarily comprises revenues receivable in connection with the sale or renewal of insurance policies, together with amounts charged to customers as interest under the Consumer Credit Act 1974, which are earned over the term of the related instalment payment plans, and additional revenues that are linked to underwriting results. All business is carried out in the United Kingdom, the Channel Islands and the Isle of Man.

SAGA SERVICES LIMITED**Notes to the financial statements (continued)**

3. Profit on ordinary activities before taxation	2014	2013
This is stated after charging:	£'000	£'000
Depreciation of tangible fixed assets (see note 8)	5,088	3,265
Hire of plant & machinery	4	3
Auditors' remuneration – audit of the financial statements	73	57

Any fees paid to the Company's auditor, Ernst & Young 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, Acromas Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

4. Directors' remuneration	2014	2013
	£'000	£'000
Aggregate remuneration in respect of qualifying services	932	935
	2014	2013
Members of defined benefit pension scheme:	6	6

The Directors' remuneration shown above relates to A Davies, A Hoskins, P F Callander, C A Melvin, R C Ramsden and W R Treen. These directors all hold directorships in fellow subsidiaries of the ultimate parent undertaking, Acromas Holdings Limited, but the full amount of their remuneration is included above as it would not be practicable to apportion their remuneration between their services as Directors of the Company and their services as Directors of other subsidiaries.

J A Goodsell and S M Howard are also Directors of Acromas Holdings Limited and various fellow subsidiaries, and received total remuneration for the year of £2,426,000 (2013 - £2,430,000) which was paid by Saga Group Limited, the immediate parent undertaking and a fellow subsidiary. Neither of these Directors received any remuneration during the current or comparative years in respect of their services as Directors of the Company, and it would not be practicable to apportion their remuneration between their services as Directors of the Company, their services as Directors of Acromas Holdings Limited and their services as Directors of any fellow subsidiaries.

Among the Directors remunerated by the Company, the amounts paid in respect of the highest paid Director were as follows:-

	2014	2013
	£'000	£'000
Aggregate remuneration in respect of qualifying services	454	448
	2014	2013
	£'000	£'000
Defined benefit pension scheme:		
Accrued pension at end of year	12	10

SAGA SERVICES LIMITED**Notes to the financial statements (continued)****5. Staff costs**

	2014	2013
	£'000	£'000
Wages and salaries	28,587	27,658
Social security costs	2,247	2,278
Pension costs	1,400	1,478
Other costs	614	522
	<u>32,848</u>	<u>31,936</u>

The monthly average number of employees during the year was as follows:-	2014	2013
	No.	No.
Sales & marketing	497	544
Operations	823	853
Administration and management	186	175
	<u>1,506</u>	<u>1,572</u>

The Company is a member of the Saga Pension Scheme which is a defined benefit scheme.

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company is accounting for its pension expense on a defined contribution basis in accordance with FRS 17 (Retirement benefits). The FRS 17 deficit (gross of deferred taxation) of the Scheme at 31 January 2014 was £14,900,000 (2013 - £nil).

Further details of the Scheme can be found in the financial statements of the ultimate holding company, Acromas Holdings Limited.

SAGA SERVICES LIMITED**Notes to the financial statements (continued)****6. Taxation**

	2014 £'000	2013 £'000
UK corporation tax at 23.16% (2013 – 24.33%) – current year	40,060	32,681
Adjustments relating to prior years	(95)	(91)
Current tax	39,965	32,590
Deferred tax – Origination and reversal of timing differences	(912)	(543)
Deferred tax – Adjustments in respect of prior periods	42	-
Deferred tax – Effect of tax rate change on opening balance	252	124
	<u>39,347</u>	<u>32,171</u>

	2014 £'000	2013 £'000
Reconciliation of Current Tax Charge:-		
Pre-tax profit at 23.16% (2013 – 24.33%)	39,002	32,048
Depreciation less than capital allowances	1,167	575
Permanent differences	2	55
Other timing differences	(111)	3
Adjustments relating to prior years	(95)	(91)
Current tax charge for the year	<u>39,965</u>	<u>32,590</u>

The current tax charge is made up entirely of amounts payable to other group companies for group relief (2013 – £nil).

7. Dividend

A dividend of £62.14 per share (2013 - £47.38) has been paid at a cost of £130,500,000 (2013 - £99,500,000).

SAGA SERVICES LIMITED
Notes to the financial statements (continued)

8. Tangible fixed assets

	Computer hardware & software £'000
Cost	
At 1 February 2013	25,080
Additions	7,952
At 31 January 2014	<u>33,032</u>
Depreciation	
At 1 February 2013	18,679
Charge for year	5,088
At 31 January 2014	<u>23,767</u>
Net book amounts	
At 31 January 2014	<u>9,265</u>
At 31 January 2013	<u>6,401</u>

SAGA SERVICES LIMITED**Notes to the financial statements (continued)****9. Debtors**

	2014	2013
	£'000	£'000
Trade debtors	93,527	104,013
Amounts owed by fellow group undertakings	125,529	152,967
Prepayments and accrued income	1,261	1,193
Other tax and social security	220	254
Deferred taxation	2,590	1,972
Corporation tax	3,881	6,569
	<u>227,008</u>	<u>266,968</u>

Deferred taxation comprises of excess depreciation over capital allowances of £2,535,000 (2013 - £1,972,000) and short term timing differences of £55,000 (2013 – £nil).

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

A further reduction from 23% to 21% took effect on 1 April 2014, and a final reduction to 20% has been enacted in the Finance Act 2013 to take effect from 1 April 2015. As a result, the deferred tax balance at 31 January 2014 has been stated at 20%.

All amounts above are due in less than one year, except for deferred tax.

10. Cash at bank and in hand

	2014	2013
	£'000	£'000
Cash at bank and in hand	<u>23,585</u>	<u>17,808</u>

Cash at bank and in hand includes £626,000 (2013 - £604,000) which is subject to contractual or regulatory restrictions. The Company considers that these monies are not readily available to be used for other purposes within the Company. A liability corresponding to this amount is included in the balance sheet.

SAGA SERVICES LIMITED**Notes to the financial statements (continued)****11. Creditors – amounts falling due within one year**

	2014	2013
	£'000	£'000
Bank overdraft	271	253
Advance receipts	12,513	14,565
Trade creditors	53,699	55,901
Amounts due to fellow group undertakings	72,685	96,843
Accruals and deferred income	5,428	6,976
	<u>144,596</u>	<u>174,538</u>

12. Provisions for liabilities

	Other Provisions £'000
Balance at 1 February 2013	424
Utilised during the year	(424)
Charge for the year	493
Balance at 31 January 2014	<u>493</u>

The provision relates to repayments to policyholders that the Company may be obliged to make as a result of future mid-term policy cancellations.

13. Called up share capital

	2014	2013
	£'000	£'000
Allotted, called up and fully paid		
2,100,000 ordinary shares of £1 each	<u>2,100</u>	<u>2,100</u>

14. Profit and loss account

	2014	2013
	£'000	£'000
At 1 February	114,115	114,051
Profit for the year	129,054	99,564
Dividends paid	(130,500)	(99,500)
At 31 January	<u>112,669</u>	<u>114,115</u>

15. Related party transactions

The Company has taken advantage of the exemption within FRS 8 (Related party disclosures) in not disclosing transactions with other entities in the Acromas group of companies.

SAGA SERVICES LIMITED

Notes to the financial statements (continued)

16. Ultimate parent undertaking

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

The financial statements of the Company have been consolidated in the group financial statements of Acromas Holdings Limited (the ultimate parent undertaking), a company which is registered in England and Wales.

17. Cross company guarantees

The Company, along with certain of its fellow subsidiaries, acts as Obligor on bank loans made to Acromas Mid Co Limited. At 31 January 2013, the principal, accrued interest, guarantees and other facilities outstanding on these bank loans was £5,132.1 million.

On 2 July 2013 and 7 November 2013, Acromas Mid Co Limited repaid a significant part of its bank loans reducing the outstanding principal amount to £1,257.3 million. At 31 January 2014, the principal, accrued interest, guarantees and other facilities outstanding on these bank loans was £1,295.8 million.

Subsequent to the reporting period, on 25 April 2014, the Saga group entered into new debt financing arrangements and the bank loans held by Acromas Mid Co Limited were repaid and the obligations of the Company in respect of those bank loans were discharged.

The Company, along with certain of its fellow subsidiaries, acts as Obligor on the new banks loans held by Saga Mid Co Limited which, on 25 April 2014, had an outstanding principal amount of £1,250.0 million. On 29 May 2014, Saga Mid Co Limited repaid £550.0 million of its bank loans reducing the outstanding principal amount to £700.0 million.

Subsequent to these transactions, the principal, accrued interest, guarantees and other facilities outstanding on these bank loans, and for which the Company acts as Obligor, is approximately £740.0 million.

18. Ultimate controlling party

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

19. Post balance sheet event

On 29 May 2014, Saga plc, an intermediate parent undertaking and the ultimate parent undertaking for the Saga group, was admitted to the London Stock Exchange.

In respect of the year ending 31 January 2015, Saga plc will be the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.