

MEMBERSHIP LIMITED

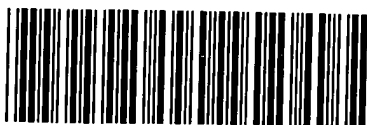
SAGA MEMBERSHIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2022

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SAGA MEMBERSHIP LIMITED  
Company information

Directors: E A Sutherland  
S Beamish

Secretary: V Haynes

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

Company Registration no: 00773343

## SAGA MEMBERSHIP LIMITED

### Strategic report

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

#### Review of business developments and principal activity

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

The principal activity of the Company was the provision of a customer benefits scheme to Saga customers. The Directors took the decision to close the benefits scheme down in early 2022, at which point the Company ceased trading. Following the closure of the scheme, the Directors no longer consider the Company to be a going concern and have therefore prepared the financial statements on a break-up basis. The effect of this is explained in note 2(b).

#### Principle risks and uncertainties

The Group has established 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:

##### 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.

##### 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.

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](http://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 whilst the situation remains ongoing. 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

Following the closure of the Company's customer benefits scheme at the end of the year, the Company expects to become a dormant company.

By order of the Board



E A Sutherland  
Director  
14<sup>th</sup> October 2022

Registered office:  
Enbrook Park  
Sandgate  
Folkestone  
Kent  
CT20 3SE

SAGA MEMBERSHIP 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 (except as noted), were as follows:

E A Sutherland  
S Beamish

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, given the Company ceased trading in early 2022, the Directors no longer consider it appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements have been prepared on a break-up basis. No adjustments have been necessary to reflect the change in basis for the preparation of the financial statements.

SAGA MEMBERSHIP LIMITED  
Directors' Report (continued)

Auditor exemption statement

For the financial year ending 31 January 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

By order of the Board



E A Sutherland  
Director  
14<sup>th</sup> October 2022

Registered office:  
Enbrook Park  
Sandgate  
Folkestone  
Kent  
CT20 3SE

SAGA MEMBERSHIP LIMITED

Income statement for the year ended 31 January 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	98	80
Cost of sales		-	-
Profit on ordinary activities before taxation		98	80
Taxation	6	(19)	(15)
Profit for the financial year		79	65

There are no other items of comprehensive income other than those included above in the income statement; accordingly, the profit for the financial year is also the total comprehensive income for the year.

Notes 1 to 12 form an integral part of these financial statements.

SAGA MEMBERSHIP LIMITED  
Balance sheet as at 31 January 2022

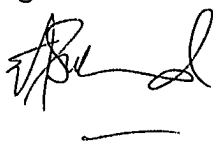
	Notes	2022 £'000	2021 £'000
Current Assets			
Debtors	7	49	86
Cash at bank and in hand		174	58
		<u>223</u>	<u>144</u>
Creditors – amounts falling due within one year	8	(4)	(4)
Net assets		<u>219</u>	<u>140</u>
Capital and reserves			
Allotted, called up and fully paid share capital			
Called-up share capital	9	1	1
Retained earnings		218	139
Shareholders' funds		<u>219</u>	<u>140</u>

For the financial year ending 31 January 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Signed for and on behalf of the Board by



E A Sutherland  
Director  
14<sup>th</sup> October 2022

Company Registration no: 00773343

Notes 1 to 12 form an integral part of these financial statements.



SAGA MEMBERSHIP LIMITED

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

	Called-up Share Capital £'000	Retained Earnings £'000	Total Shareholders Funds £'000
At 1 February 2020	1	74	75
Profit for the financial year	-	65	65
At 31 January 2021	1	139	140
Profit for the financial year	-	79	79
At 31 January 2022	1	218	219

Notes 1 to 12 form an integral part of these financial statements.

SAGA MEMBERSHIP LIMITED  
Notes to the financial statements

1. General information

Saga Membership Limited (the "Company") is a company incorporated and domiciled in the UK (Company No. 00773343) 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 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

In previous years, the financial statements have been prepared on a going concern basis. However, given the Company ceased trading in early 2022, the Directors no longer consider it appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements have been prepared on a break-up basis. No adjustments have been necessary to reflect the change in basis for the preparation of 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 consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 11.

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

- a) the requirements of IFRS 7 "Financial Instruments: Disclosures"
- b) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement"
- c) 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"
- d) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- e) 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"
- f) the requirements of IAS 7 "Statement of Cash Flows"
- g) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- h) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"
- i) 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.

## SAGA MEMBERSHIP LIMITED

### Notes to the financial statements (continued)

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

##### b) Going concern

The Directors have reviewed the going concern status of the Company in light of the decision to close the Company's customer benefits scheme in early 2022.

Having regard to this, the Directors do not consider the going concern basis of preparing the financial statements as at 31 January 2022 to be appropriate. Therefore, the financial statements for the year-ended 31 January 2022 have been prepared on the break-up basis of accounting. No adjustments have been necessary to reflect the change in basis for the preparation of the financial statements.

##### 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.

There are no estimates, assumptions or judgements at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### d) Turnover

Sales revenue is recognised when an order is placed by a customer for goods. All business is carried out in the UK.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. It is allocated to the performance obligations of the contract in accordance with IFRS 15.

##### e) Trade and other debtors

Trade debtors, which generally have 30-90 day terms, 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.

## SAGA MEMBERSHIP LIMITED

### Notes to the financial statements (continued)

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

##### f) Cash at bank and in hand

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.

##### g) 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.

##### h) 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 taxation 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.

##### i) 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).

SAGA MEMBERSHIP LIMITED  
Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

i) Financial instruments

j) Financial assets (continued)

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.

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)

i) 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.

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

**3. Turnover**

Turnover comprises sales income. All business is carried out in the UK.

**4. Staff costs**

The Company does not employ any staff.

**5. Directors' remuneration**

The Directors did not receive any remuneration during the year specifically for their role as Directors of the Company (2021: £nil).

**6. Taxation**

**Current tax**

UK corporation tax at 19.00% (2021: 19.00%)

Total current income tax

Tax on profit on ordinary activities

2022 £'000	2021 £'000
19	15
19	15
19	15

Reconciliation of Total Tax Charge:

Pre-tax profit at 19.00% (2021: 19.00%)

Tax on profit on ordinary activities

2022 £'000	2021 £'000
19	15
19	15

The corporation tax charge for the current and prior year is entirely made up of payments to other group companies for group relief.

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.

**7. Debtors**

Trade debtors

Amounts due from group undertakings

2022 £'000	2021 £'000
37	39
12	47
49	86

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

**8. Creditors - amounts falling due within one year**

2022 £'000	2021 £'000
Other taxes and social security	
<u>4</u>	<u>4</u>
<u>4</u>	<u>4</u>

**9. Called-up share capital and reserves**

2022 £'000	2021 £'000
Allotted, called-up and fully paid 1,000 ordinary shares of £1 each	
<u>1</u>	<u>1</u>

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

**10. 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.

**11. Ultimate parent undertaking**

The immediate parent undertaking at 31 January 2022 is Saga Group Limited, a company which is registered in England and Wales. The Company is wholly-owned by Saga Group Limited.

In respect of the year ending 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](http://www.corporate.saga.co.uk) or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

**12. Ultimate controlling party**

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