

SAGA MEMBERSHIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2023



SAGA MEMBERSHIP LIMITED
Company information

Directors: E A Sutherland
S Beamish (resigned 28 February 2023)

Secretary: V Haynes

Registered Office: 3 Pancras Square, London, N1C 4AG

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 2023.

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, consistent with the prior year, prepared the financial statements on a break-up basis. The effect of this is explained in note 2(b).

Principal 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, the development and ongoing management of its operational resilience arrangements and plans to respond to significant disruption events. This is aligned with the Group's overarching business resilience planning.

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.

Principal risks and uncertainties (continued)

Brand risk

The Group recognises that Saga as a quality brand is a source of competitive advantage, and has in place policies and procedures to protect it at all times. The Group has zero appetite and a very low tolerance for brand and reputation risks and will look wherever possible to eliminate them. The Group also has zero appetite and very low tolerance for systemic unfair customer outcomes as a result of failures in the product, marketing, sales or service delivery systems and processes, or cultural shortcomings.

Inflation and Cost of Living Crisis

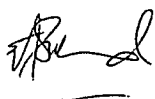
During 2022, the United Kingdom has seen an acceleration of inflation driven by heightened global economic and political uncertainty following COVID-19, the Russian invasion of Ukraine, and disrupted global supply chains. The Bank of England and the UK Government have responded with various changes, including increases to the base rate of interest. Inflation has led to increased prices for consumers and therefore reduced financial flexibility for many households and in particular those on fixed incomes such as pensions.

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. These risks include increasing inflationary pressures on both product pricing and consumer spending behaviours caused by rising commodity prices, as well as foreign exchange volatility and the potential need to change future travel itineraries. The Group has passed on cost pressures into its product pricing and continues to closely manage and forecast future cost inflation trends.

Future developments

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

By order of the Board



E A Sutherland
Director
18 October 2023

Registered office:
3 Pancras Square
London
N1C 4AG

SAGA MEMBERSHIP LIMITED

Directors' report

The Director submits the Directors' Report of the Company for the year ended 31 January 2023.

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 (resigned 28 February 2023)

Going concern

As in the prior year, the Directors have not prepared the financial statements on a going concern basis. The financial statements have been prepared on a break-up basis. No adjustments were necessary to reflect the change in basis for the preparation of the financial statements.

SAGA MEMBERSHIP LIMITED
Director's Report (continued)

Dividends

The Directors do not recommend payment of a dividend in respect of the year (2022: £nil).

Auditor exemption statement

For the financial year ending 31 January 2023, 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
18 October 2023

Registered office:
3 Pancras Square
London
N1C 4AG

SAGA MEMBERSHIP LIMITED
Income statement for the year ended 31 January 2023

	Notes	2023 £'000	2022 £'000
Turnover	3	4	98
Cost of sales		(16)	-
(Loss)/profit on ordinary activities before taxation		<u>(12)</u>	<u>98</u>
Taxation	6	2	(19)
(Loss)/profit for the financial year		<u>(10)</u>	<u>79</u>

There are no other items of comprehensive income other than those included above in the income statement; accordingly, the (loss)/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 2023

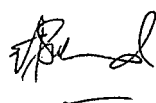
	Notes	2023 £'000	2022 £'000
Current Assets			
Debtors	7	209	49
Cash at bank and in hand		-	174
		<u>209</u>	<u>223</u>
Creditors – amounts falling due within one year	8	-	(4)
Net assets		<u>209</u>	<u>219</u>
 Capital and reserves			
Allotted, called up and fully paid share capital			
Called-up share capital	9	1	1
Retained earnings		208	218
Shareholder's funds		<u>209</u>	<u>219</u>

For the financial year ending 31 January 2023, 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
 18 October 2023

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 2023**

	Called-up Share Capital £'000	Retained Earnings £'000	Total Shareholder's Funds £'000
At 1 February 2021	1	139	140
Profit for the financial year	-	79	79
At 31 January 2022	<u>1</u>	<u>218</u>	<u>219</u>
Loss for the financial year	-	(10)	(10)
At 31 January 2023	<u>1</u>	<u>208</u>	<u>209</u>

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: 3 Pancras Square, London, N1C 4AG.

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.

The Directors took the decision to cease trading in early 2022. Accordingly, the Directors do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements continue to be prepared on a break-up basis. No adjustments were 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

Since the Company is no longer trading following the decision to close the Company's customer benefits scheme in early 2022, the Directors do not consider the going concern basis of preparing the financial statements as at 31 January 2023 to be appropriate. Based on this, the Directors consider it necessary to prepare the financial statements on a break-up basis as at 31 January 2023, consistent with the basis for the prior year.

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

i) 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.

SAGA MEMBERSHIP LIMITED
Notes to the financial statements (continued)

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 MEMBERSHIPO 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 (2022: £nil).

6. Taxation

Current tax

UK corporation tax at 19.00% (2022: 19.00%)

Total current income tax (credit)/charge

Total tax (credit)/charge on profit on ordinary activities

2023 £'000	2022 £'000
(2)	19
(2)	19
(2)	19

Reconciliation of total tax (credit)/charge:

Pre-tax (loss)/profit at 19.00% (2022: 19.00%)

Total tax (credit)/charge on profit on ordinary activities

2023 £'000	2022 £'000
(2)	19
(2)	19

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

The corporation tax charge for the 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 would increase from 19% to 25% from 1 April 2023. This increase was substantively enacted on 24 May 2021.

7. Debtors – amounts falling due within one year

Trade debtors

Amounts due from group undertakings

2023 £'000	2022 £'000
18	37
191	12
209	49

SAGA MEMBERSHIP LIMITED
Notes to the financial statements (continued)

8. Creditors - amounts falling due within one year

Other taxes and social security

2023 £'000	2022 £'000
-	4
-	4

9. Called-up share capital and reserves

Allotted, called-up and fully paid
1,000 ordinary shares of £1 each

2023 £'000	2022 £'000
1	1

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 2023 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 2023, 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 2023 may be obtained from the corporate website www.corporate.saga.co.uk or from the Company Secretary, Saga plc, 3 Pancras Square, London, N1C 4AG.

12. Ultimate controlling party

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