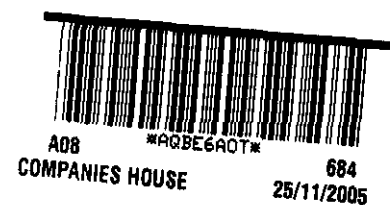


**SAGA GROUP LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 JANUARY 2005**

**Company Registration Number: 638891**



**SAGA GROUP LIMITED**  
**Directors' report**

Directors: J A Goodsell  
T B Bull  
S M Howard

Secretary: S M Howard

Registered Office: The Saga Building, Enbrook Park, Folkestone, Kent CT20 3SE

The Directors submit their report together with the audited accounts for the year ended 31 January 2005.

**Principal activity and review of business developments**

The company's principal activity is to act as an intermediate group holding company and to provide administrative services to other group companies.

**Results and dividends**

The profit for the year before taxation amounts to £50,947,000. After taxation and dividends, a profit of £20,388,000 has been taken to reserves. Dividends paid on ordinary shares to Saga Leisure Limited, amounted to £33,500,000.

**Directors**

The Directors of the company during the year were those listed above and R M De Haan, P Phillipson and A R Deacon who resigned from the Board on 27 October 2004. R J Fraser resigned as Company Secretary on 26 October 2004.

**SAGA GROUP LIMITED**  
**Directors' report continued**

**Directors' interests**

T B Bull, J A Goodsell, S M Howard and P Phillipson are Directors of the ultimate parent undertaking, Saga Holdings Limited, and their interests are set out in the accounts of that company.

R M De Haan was a Director of the previous ultimate parent undertaking, Saga Limited, and his interests in shares are set out in the accounts of that company.

A R Deacon does not have an interest in the shares of the company or the ultimate parent undertaking.

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

**Auditors**

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

**Statement of Directors' responsibilities**

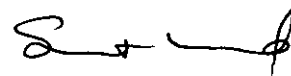
The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the year.

The Directors confirm that the accounting policies are appropriate to the company's business and have been applied consistently. In preparing the accounts for the year, the Directors have made reasonable and prudent judgements, have ensured that applicable accounting standards have been followed, and confirm that it is appropriate to prepare the accounts on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the Board

The Saga Building  
Enbrook Park  
Folkestone  
Kent  
CT20 3SE



S M Howard  
Secretary  
24 May 2005

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGA GROUP LIMITED

We have audited the company's financial statements for the year ended 31 January 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 26. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

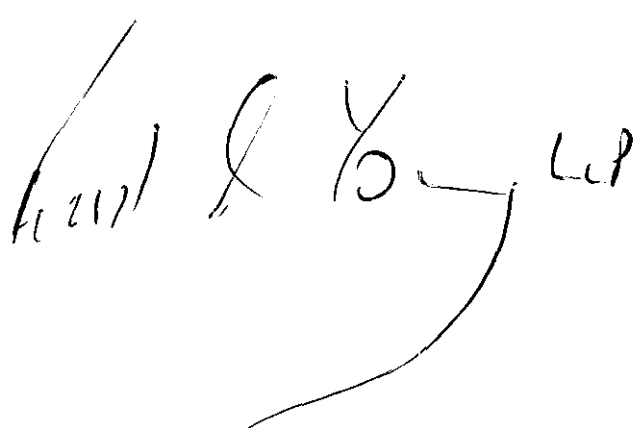
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
London  
24 May 2005

Handwritten signature and initials, possibly 'H 2117' and 'L.P.', with a large flourish.

**SAGA GROUP LIMITED****Profit and loss account for the year ended 31 January 2005**

	Note	2005 £'000	2004 £'000 as restated
<b>Turnover</b>		-	-
Cost of sales		1,000	(2,300)
<b>Gross profit/(loss)</b>		<u>1,000</u>	<u>(2,300)</u>
Administrative and marketing expenses		(11,891)	(10,350)
Exceptional items	4	(3,037)	(2,123)
<b>Total administrative and marketing expenses</b>		<u>(14,928)</u>	<u>(12,473)</u>
Other operating income	3	19	2
<b>Operating loss</b>	4	<u>(13,909)</u>	<u>(14,771)</u>
Income from shares in group undertakings		69,000	62,325
Interest payable and similar charges	5	(4,144)	(1,948)
<b>Profit on ordinary activities before taxation</b>		<u>50,947</u>	<u>45,606</u>
Taxation	9	2,941	4,637
<b>Profit on ordinary activities after taxation</b>		<u>53,888</u>	<u>50,243</u>
Dividends	10	(33,500)	(52,000)
<b>Retained profit/(loss) for the financial year</b>	21	<u><u>20,388</u></u>	<u><u>(1,757)</u></u>

Details of the restatement of the 2004 comparative are set out in note 2 to the accounts.

**SAGA GROUP LIMITED**  
**Year ended 31 January 2005**

**Statement of total recognised gains and losses**

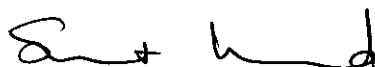
	Note	2005 £'000	2004 £'000 as restated
Profit for the year after taxation		53,888	50,243
Total recognised gains and losses relating to the year		53,888	50,243
Prior year adjustment	2	(743)	
Total recognised gains and losses since last report		<u>53,145</u>	<u>50,243</u>

**Reconciliation of movements in shareholders' funds**

	Note	2005 £'000	2004 £'000 as restated
Total recognised gains and losses relating to the year		53,888	50,243
Equity dividends	10	(33,500)	(52,000)
Net movement in shareholders' funds		20,388	(1,757)
Shareholders' funds brought forward (originally £31,135,000 before deducting prior year adjustment of £743,000)		30,392	32,149
Shareholders' funds carried forward		<u>50,780</u>	<u>30,392</u>

**SAGA GROUP LIMITED**  
**Company balance sheet as at 31 January 2005**

	Note	2005 £'000	2004 £'000 as restated
<b>Fixed assets</b>			
Tangible assets	11	46,070	46,046
Investments in subsidiaries	12	77,017	74,517
		<u>123,087</u>	<u>120,563</u>
<b>Current assets</b>			
Stock		10	14
Debtors	13	403,085	112,693
Cash on deposit	14	-	1,036
Cash at bank and in hand		3	4
		<u>403,098</u>	<u>113,747</u>
<b>Creditors</b>			
- amounts falling due within one year	15	(471,456)	(194,886)
<b>Net current liabilities</b>		<u>(68,358)</u>	<u>(81,139)</u>
<b>Total assets less current liabilities</b>		54,729	39,424
<b>Creditors</b>			
- amounts falling due after more than one year	16	(2,327)	(9,032)
<b>Provisions for liabilities and charges</b>	19	(1,622)	-
<b>Net assets</b>		<u>50,780</u>	<u>30,392</u>
<b>Capital and reserves</b>			
Called up share capital	20	3,617	3,617
Share premium account	21	84	84
Profit and loss account	21	47,079	26,691
<b>Equity shareholders' funds</b>		<u>50,780</u>	<u>30,392</u>



S M Howard  
 Director  
 24 May 2005

## **SAGA GROUP LIMITED**

### **Notes to the accounts**

#### **1 Accounting policies**

##### **a Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to prepare and deliver group accounts as it is a wholly owned subsidiary of the ultimate holdings company Saga Holdings Limited. As such, these accounts show only the results of the individual company and not the group.

##### **b Tangible fixed assets**

Tangible fixed assets are stated at cost less amounts written off. 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:

###### **Land and buildings**

Land	nil
Buildings	50 years
Related fittings	3 - 10 years
Leasehold properties	over the period of the lease.

Computers	3 years
Plant and other equipment	5 - 10 years

##### **c Leased assets and hire purchase commitments**

Assets held under finance lease and hire purchase arrangements are capitalised and depreciated over their useful lives. The capital element of the related rental obligation is included in creditors. The interest element of rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of operating leases are charged to profit as incurred.

##### **d Stocks**

Stocks are valued at the lower of cost and net realisable value.

##### **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.

##### **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 costs of providing these benefits are charged to the profit and loss account on a regular basis. The company also operates a UK defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.



**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**g Government grants**

Government grants received in respect of capital expenditure are released into the profit and loss account in equal instalments over the expected useful life of the relevant assets.

**h Cash flow statement**

The Directors have taken advantage of the exemption available under FRS 1 from 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, Saga Holdings Limited. Saga Limited was the ultimate parent undertaking until 29 October 2004 when it was acquired by Saga Holdings Limited.

**2 Change of accounting policy**

The company has adopted FRS 17 'Retirement Benefits' in full, and has therefore changed its accounting policy for retirement benefits. The company previously accounted for retirement benefits in accordance with SSAP24 'Accounting for pension costs'. The costs of providing retirement benefits are now recognised in the accounting period in which the benefits are earned by employees, and the related finance costs and other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise.

The 2004 comparative consolidated balance sheet and profit and loss accounts have been restated to reflect this change in policy. The impact has been to decrease administrative and marketing expense by £132,000 and the taxation credit by £40,000. Net assets at 31 January 2004 decreased by £743,000, comprising a reduction in prepayments of £1,063,000 and an increase in deferred taxation asset of £319,000.

For 2005 the impact has been to decrease administrative and marketing expense by £132,000 and the taxation credit by 40,000, resulting in an increase in net assets at 31 January 2005 of £92,000.

**3 Other operating income**

	2005	2004
	£'000	£'000
Other interest receivable	<u>19</u>	<u>2</u>

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

<b>4</b>	<b>Operating loss</b>	<b>2005</b>	<b>2004</b>
	Operating loss is stated after charging/(crediting):	£'000	£'000
	Depreciation of owned tangible fixed assets	2,809	2,062
	Depreciation of leased tangible fixed assets	248	264
	Profit on disposal of tangible fixed assets	(126)	-
	Profit on disposal of subsidiary	(50)	-
	Deferred government grant release	(52)	(52)
	Auditors' remuneration - for audit services	105	18
	- for non-audit services	48	7
	Property lease charges	1,190	1,148
	Hire of plant and machinery	739	763
	Exceptional item - sale of group	2,396	-
	Exceptional item - remedial works	641	2,123

The exceptional items relate to:- (a) costs associated with the sale of the Saga group (Saga Limited was the ultimate parent undertaking until 29 October 2004 when it was acquired by Saga Holdings Limited); and (b) costs associated with a major one-off programme of remedial works to one of the Company's office buildings.

<b>5</b>	<b>Interest payable and similar charges</b>	<b>2005</b>	<b>2004</b>
		£'000	£'000
	Finance lease and hire purchase interest	28	19
	Inter-company interest	3,990	1,929
	Other interest payable	126	-
		<u>4,144</u>	<u>1,948</u>

<b>6</b>	<b>Directors' emoluments</b>	<b>2005</b>	<b>2004</b>
		£'000	£'000
	Emoluments	4,087	2,720

Members of defined benefit pension scheme	<u>3</u>	<u>4</u>
---	----------	----------

J A Goodsell, T B Bull, S M Howard and P Phillipson are also Directors of the ultimate parent company, Saga Holdings Limited, and fellow subsidiaries. The remuneration received by T B Bull, S M Howard and P Phillipson was paid by Saga Group Limited. The remuneration received by J A Goodsell was paid by Saga Services Limited, a subsidiary of Saga Group Limited and details of his remuneration can be found in the accounts of that company. The Directors do not believe that it is practicable to apportion the remuneration of J A Goodsell, T B Bull, S M Howard and P Phillipson between their services as Directors of the ultimate parent company and fellow subsidiaries. Among the Directors remunerated by the company, the amounts paid in respect of the highest paid Director were as follows:-

	<b>2005</b>	<b>2004</b>
	£'000	£'000
Emoluments	<u>1,927</u>	<u>1,439</u>
Defined benefit pension scheme:	<b>2005</b>	<b>2004</b>
Accrued pension at end of year	<u>£'000</u>	<u>£'000</u>
	<u>8</u>	<u>33</u>

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

<b>7</b>	<b>Staff costs</b>	<b>2005</b>	<b>2004</b>
		<b>£'000</b>	<b>£'000</b>
			as restated
	Wages and salaries	8,251	7,437
	Social security costs	433	427
	Other pension costs	470	453
		<u>9,154</u>	<u>8,317</u>
	Average number of persons employed during the year was:	<u>220</u>	<u>168</u>

**8 Pension benefits**

The company is a member of the Saga Group Pension and Life Assurance Scheme which has defined benefit and defined contribution sections.

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 paragraph 9 of FRS 17.

Further details of the Scheme can be found in the accounts of Saga Holdings Limited.

<b>9</b>	<b>Tax on profit on ordinary activities</b>	<b>2005</b>	<b>2004</b>
	The charge based on the profit for the year comprises:	<b>£'000</b>	<b>£'000</b>
			as restated
	UK corporation tax at 30%	1,281	-
	Group relief @ 30%	(6,875)	(3,591)
	Current tax	(5,594)	(3,591)
	Adjustments relating to prior years	(230)	175
	Deferred tax – current year	2,883	(769)
	Deferred tax – prior years	-	(452)
		<u>(2,941)</u>	<u>(4,637)</u>

	<b>Reconciliation of Current Tax Charge:-</b>	<b>2005</b>	<b>2004</b>
		<b>£'000</b>	<b>£'000</b>
	Pre-tax profit at 30%	15,284	13,642
	Non taxable dividend income	(20,700)	(18,697)
	Capital allowances in excess of depreciation	(503)	(757)
	Provisions against capital investments and loans	1,021	70
	Permanent differences	(75)	258
	Other timing differences	(2,380)	1,566
	Other items	1,759	327
		<u>(5,594)</u>	<u>(3,591)</u>

The tax credit relating to the exceptional items amounts to £911,000 (2004 - £637,000).

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**9 Tax on profit on ordinary activities (continued)**

Deferred tax in the balance sheet is made up as follows:

	2005 £'000	2004 £'000 as restated
Accelerated capital allowances	(1,789)	(1,286)
Short term timing differences	167	2,547
Deferred tax (provision)/asset	<u>(1,622)</u>	<u>1,261</u>
At start of period	1,261	40
Deferred tax (charge)/credit in the profit and loss account	(2,883)	1,221
Deferred tax (provision)/asset	<u>(1,622)</u>	<u>1,261</u>

**10 Dividends**

	2005 £'000	2004 £'000
Dividends paid on ordinary shares:		
£1.8523 per share (2004 - £2.8751 per share)	<u>33,500</u>	<u>52,000</u>

**11 Tangible fixed assets**

	Freehold Land & Buildings £'000	Short Leasehold Land & Buildings £'000	Other Assets £'000	Total £'000
<b>Cost</b>				
At 1 February 2004	44,547	5,288	16,990	66,825
Additions	2,351	287	525	3,163
Disposals	(40)	-	(63)	(103)
At 31 January 2005	<u>46,858</u>	<u>5,575</u>	<u>17,452</u>	<u>69,885</u>
<b>Depreciation</b>				
At 1 February 2004	7,009	323	13,447	20,779
Charge for year	1,450	353	1,254	3,057
Disposals	-	-	(21)	(21)
At 31 January 2005	<u>8,459</u>	<u>676</u>	<u>14,680</u>	<u>23,815</u>
<b>Net book amounts</b>				
At 31 January 2005	<u>38,399</u>	<u>4,899</u>	<u>2,772</u>	<u>46,070</u>
At 31 January 2004	<u>37,538</u>	<u>4,965</u>	<u>3,543</u>	<u>46,046</u>

Included in land and buildings are amounts in respect of land, with an original cost of £2,596,000 (2004 - £2,636,000), which have not been depreciated.

The net book amount of tangible fixed assets includes £174,000 (2004 - £421,000) in respect of assets held under finance leases and hire purchase contracts.

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**12 Investment in subsidiaries**

	Subsidiary Undertakings £'000
<b>Cost</b>	
At 1 February 2004	79,570
Additions	5,600
Disposals (see note 23)	(5,600)
At 31 January 2005	<u>79,570</u>
<b>Provision</b>	
At 1 February 2004	5,053
Charge in year	3,100
Release in year (see note 23)	(5,600)
At 31 January 2005	<u>2,553</u>
<b>Net book amount</b>	
At 31 January 2005	<u>77,017</u>
<b>Net book amount</b>	
At 1 February 2004	<u>74,517</u>

The main operating subsidiary undertakings of Saga Group Limited, all of which are wholly owned, are listed below:

Company	Country of registration	Nature of business
Saga Holidays Limited	England	Tour operating
Saga Shipping Company Limited	England	Cruising
Saga Cruises Limited	England	Cruising
Saga Services Limited	England	Financial services
Saga Insurance Company Limited	Gibraltar	Insurance underwriting
Saga Investment Direct Limited	England	Regulated investment products
Saga Publishing Limited	England	Publishing
MetroMail Limited	England	Mail processing
Saga Radio (Scotland) Limited	England	Radio broadcasting
Saga Radio Limited	England	Radio broadcasting
Saga Regional Digital Radio Limited	England	Radio broadcasting

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

13	Debtors	2005 £'000	2004 £'000 as restated
	Trade debtors	9	17
	Amount owed by group undertakings	401,408	109,033
	Other debtors	842	1,365
	Prepayments and deferred expenditure	826	1,017
	Deferred taxation	-	1,261
		<u>403,085</u>	<u>112,693</u>

14	Cash on deposit	2005 £'000	2004 £'000
	Deposits with financial institutions		
	Held in trust	-	1,036
		<u>-</u>	<u>1,036</u>

Monies held in trust relate to payments made into an Employee Benefit Trust, which was unwound in the year.

15	Creditors	2005 £'000	2004 £'000
	- amounts falling due within one year		
	Bank overdraft	65	816
	Leasing and hire purchase (note 17)	155	148
	Trade creditors	626	859
	Due to group undertakings	461,182	180,078
	Corporate taxation	1,781	500
	Other taxation and social security	1,141	1,028
	Deferred government grants	52	52
	Other creditors	1,508	1,283
	Accruals and deferred income	4,946	10,122
		<u>471,456</u>	<u>194,886</u>

16	Creditors	2005 £'000	2004 £'000
	- amounts falling due after more than one year		
	Due to group undertakings	-	6,500
	Deferred government grants	2,248	2,300
	Leasing and hire purchase (note 17)	79	232
		<u>2,327</u>	<u>9,032</u>

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**17 Obligations under finance leases and hire purchase contracts**

	2005 £'000	2004 £'000
The capital amounts due under finance lease and hire purchase obligations are:		
Within one year	155	148
Within two to five years	79	232
	<u>234</u>	<u>380</u>

**18 Lease commitments**

The annual commitment under non-cancellable operating leases is as follows:

	2005 £'000	2004 £'000
Land and buildings		
Leases expiring:		
Within one year	30	-
Between two and five years	166	218
After five years	919	919
	<u>1,115</u>	<u>1,137</u>
Plant and machinery		
Leases expiring:		
Within one year	43	126
Between two and five years	785	622
After five years	-	-
	<u>828</u>	<u>748</u>

**19 Provisions for liabilities and charges**

	Deferred Taxation £'000
Balance at 1 February 2004	-
Charge for the year	1,622
Balance at 31 January 2005	<u>1,622</u>

**20 Called up share capital**

	2005 £'000	2004 £'000
Authorised		
27,000,000 ordinary shares at 20p each	5,400	5,400
Allotted and fully paid up		
18,086,076 ordinary shares at 20p each	<u>3,617</u>	<u>3,617</u>

**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**21 Reserves**

	Share Premium		Profit and Loss	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
				as restated
At 1 February as previously stated	84	84	26,691	29,283
Prior year adjustment (note 2)	-	-	-	(835)
Balance at beginning of the year as restated	84	84	26,691	28,448
Retained profit/(loss) for the year	-	-	20,388	(1,757)
Balance at the end of the year	84	84	47,079	26,691

**22 Cross Company Guarantees**

The Company along with certain of its fellow subsidiaries acts as Obligor on bank loans made to Saga 300 Limited (formerly Platinum 300 Limited) and Saga 400 Limited (formerly Platinum 400 Limited). At the balance sheet date the principal and accrued interest outstanding on these bank loans was £929,988,802.

**23 Related party transactions**

On 29 October 2004, Saga Group Limited sold the whole of the share capital of Saga Digital Radio Limited (subsequently re-named PrimeTime Radio Limited) and Saga Radio (London) Limited to R M De Haan. The carrying amounts of Saga Digital Radio Limited and Saga Radio (London) Limited at the date of sale were £nil and £100 respectively. The consideration for the sale, which was reviewed by an independent firm of accountants, was £1 for each company, on a cash free/debt free basis. The working capital of Saga Digital Radio Limited at the date of sale was £91,000. Under the provisions of the sale and purchase agreement relating to Saga Digital Radio Limited, R M De Haan's payment for the company's working capital was capped at £50,000. No amounts remained outstanding regarding the disposal of Saga Digital Radio Limited and Saga Radio (London) Limited as at 31 January 2005.

During the year, Saga Group Limited made donations to the Metropole Arts Centre Trust, a charitable organisation of which R M De Haan is a Director. Charitable donations during the year to the Metropole Arts Centre Trust totalled £30,000 (2004 - £130,000). In addition, at the end of the previous year (31 January 2004), there remained an outstanding interest free loan, repayable on demand, made by Saga Group Limited to the Metropole Arts Centre Trust of £60,000. This was repaid during the year and no further loans provided.

Since 29 October 2004, Saga Group Limited sponsored a radio station, PrimeTime Radio Limited (formerly Saga Digital Radio Limited), a company owned by R M De Haan. Amounts invoiced to Saga Group Limited during the year totalled £10,000 (2004 - £nil). As at 31 January 2005, there remained a balance of £7,000 (2004 - £nil) owed by the company to PrimeTime Radio Limited.

Since 29 October 2004, Saga Group Limited sponsored a radio station, Saga Radio (London) Limited, a company owned by R M De Haan. Amounts invoiced to Saga Group Limited during the year totalled £250 (2004 - £nil). As at 31 January 2005, there remained a balance of £167 (2004 - £nil) owed by the company to Saga Radio (London) Limited.

The Company has taken advantage of the exemption afforded by Financial Reporting Standard 8 in not disclosing transactions with other entities in the Saga Group of companies.



**SAGA GROUP LIMITED**  
**Notes to the accounts continued**

**24 Ultimate parent undertaking**

The accounts of the company have been consolidated in the group accounts of Saga Holdings Limited (the ultimate parent undertaking), a company which is registered in England. Saga Limited was the ultimate parent undertaking until 29 October 2004 when it was acquired by Saga Holdings Limited.

**25 Ultimate controlling party**

The ultimate controlling party is Charterhouse General Partners (VII) Limited.

**26 Post balance sheet events**

The Company received a payment of £9.6m in March/April 2005 in compensation for defects in the construction of one of the Company's office buildings. This amount will be used to rectify these defects during 2005/06.