

**SAGA HOLIDAYS LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**31 JANUARY 1990**

27 SEP 1990

## **SAGA HOLIDAYS LIMITED**

### **Directors' report**

Directors: R M De Haan (Chairman)  
T B Bull  
P C De Haan

Secretary: P C De Haan

Registered Office: The Saga Building, Middelburg Square, Folkestone, Kent

The directors present their report for the year ended 31 January 1990.

### **Principal activity and review of business**

The principal activities of Saga Holidays Limited consist of providing inclusive holidays in the United Kingdom and Overseas. The two accounting periods are not comparable due to seasonal and other factors. The directors consider the results for the year to be satisfactory and anticipate that this will continue in the coming year.

### **Accounts and dividends**

The profit for the year amounted to £3,327,491. After taxation an amount of £2,160,742 has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **Directors**

The directors of the company during the year ended 31 January 1990 were as follows:

R M De Haan  
T B Bull - appointed 7.7.89  
P C De Haan

### **Directors' interests**

As the directors of the company are directors of the immediate holding company, Saga Group PLC, their interests are set out in the accounts of that company.

### **Donations**

During the year charitable donations in the UK amounted to £16,525 (1989 £3,460). No political donations were made.

### **Auditors**

Ernst & Whinney merged their practice with Arthur Young on September 1 1989 and now practise in the name of Ernst & Young. Accordingly, they have signed their audit report in their new name. Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By Order of the Board

P C De Haan  
Secretary  
24 April 1990

**REPORT OF THE AUDITORS TO THE MEMBERS OF SAGA  
HOLIDAYS LIMITED**

We have audited the accounts on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 January 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young

Chartered Accountants

London

24 April 1990

**SAGA HOLIDAYS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JANUARY 1990**

	Notes	12 months ended 31.1.90 £	9 months ended 31.1.89 £
<b>Turnover</b>	2	71,330,685	60,708,884
<b>Cost of sales</b>		(57,788,297)	(50,211,581)
<b>Gross profit</b>		<u>13,542,388</u>	<u>10,497,303</u>
<b>Administration and marketing expenses</b>		(12,943,259)	(9,176,328)
<b>Net investment income</b>	3	<u>2,728,362</u>	<u>(140,770)</u>
<b>Profit on ordinary activities before taxation</b>	4	3,327,491	1,180,205
<b>Taxation</b>	8	(1,166,749)	(423,466)
<b>Retained profit for the period</b>	15	<u><u>2,160,742</u></u>	<u><u>756,739</u></u>

**SAGA HOLIDAYS LIMITED**

**BALANCE SHEET AS AT 31 JANUARY 1990**

	Notes	31 January 1990 £	31 January 1989 £
<b>Current assets</b>			
Investments	9	5,885,350	633,361
Debtors	10	17,983,239	18,195,793
Deferred expenditure		3,271,213	2,696,801
Cash at bank and in hand		91,867	186,785
		<u>27,231,669</u>	<u>21,712,740</u>
<b>Creditors - amounts falling due within one year</b>	11	<b>(23,311,188)</b>	<b>(19,953,001)</b>
<b>Net current assets</b>		<b>3,920,481</b>	<b>1,759,739</b>
<b>Provisions for liabilities and charges</b>	12	<b>(3,000)</b>	<b>(3,000)</b>
<b>Total assets less current liabilities</b>		<b><u>3,917,481</u></b>	<b><u>1,756,739</u></b>
<b>Capital and reserves</b>			
Called-up share capital	14	1,000,000	1,000,000
Profit and loss account	15	2,917,481	756,739
		<u>3,917,481</u>	<u>1,756,739</u>
		<u>=====</u>	<u>=====</u>

R M De Haan

P C De Haan

} Directors

24 April 1990

**SAGA HOLIDAYS LIMITED**  
**SOURCE AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED 31 JANUARY 1990**

	31 January 1990 £	31 January 1989 £
<b>Source of funds</b>		
Profit for the period before taxation	3,327,491	1,180,205
<b>Generated from operations</b>	<u>3,327,491</u>	<u>1,180,205</u>
<b>Funds from other sources</b>		
Issue of share capital	-	1,000,000
	<u>3,327,491</u>	<u>2,180,205</u>
 <b>Application of funds</b>		
Taxation paid	(242,700)	-
<b>Increase in working capital</b>	<u>3,084,791</u>	<u>2,180,205</u>
 <b>Arising from movement in</b>		
Investments	5,251,989	633,361
Debtors	(212,554)	18,195,793
Deferred expenditure	574,412	2,696,801
Advance receipts	(2,059,004)	(12,519,766)
Creditors	(1,489,183)	(7,012,769)
<b>Net liquid funds</b>	<u>1,019,131</u>	<u>186,785</u>
	<u>3,084,791</u>	<u>2,180,205</u>

# SAGA HOLIDAYS LIMITED

## NOTES TO THE ACCOUNTS - 31 JANUARY 1990

### 1 Accounting policies

- a) Accounting convention  
The accounts are prepared under the historical cost convention
- b) Advance holiday receipts  
All booking fees and balance payments, net of value added tax, for holidays with starting dates after the year end are treated as receipts in advance at the balance sheet date and are separately disclosed within creditors.
- c) Foreign currencies  
Exchange differences arising in respect of revenue transactions for the year are included in the profit and loss account. Assets and liabilities existing at the balance sheet date are translated at year end rates except where covered by forward contracts.
- d) Deferred expenditure  
Expenditure on brochures and promotional initiatives, which relates to the following year's holidays is carried forward at the balance sheet date so that this expenditure is matched with the relevant year's income.
- e) Deferred taxation  
Provision is made for deferred taxation, using the liability method on all timing differences which are not expected to continue in the foreseeable future.
- f) Pension benefits  
Pension benefits are funded over the employee's period of service. The company's contributions are based on the most recent actuarial valuation of the fund.

### 2 Turnover

Turnover represents the sales value of holidays with starting dates in the accounting period.

### 3 Net investment income

	12 months ended 31.1.90 £	9 months ended 31.1.89 £
Interest on deposits	113,233	50,456
Intercompany interest earned	3,040,797	-
	-----	-----
	3,154,030	50,456
Bank interest payable	(6,216)	(4,308)
Prompt payment discount allowed to customers	(419,452)	(186,918)
	-----	-----
	2,728,362	(140,770)
	=====	=====

**SAGA HOLIDAYS LIMITED**

**NOTES TO THE ACCOUNTS CONTINUED**

<b>4 Operating profit is stated after charging</b>	12 months ended 31.1.90 £	9 months ended 31.1.89 £
Hire of equipment	33,365	4,138
Auditors' remuneration	40,504	30,000
Property lease charges	41,150	35,029
	=====	=====
<b>5 Emoluments of directors</b>		
The directors are remunerated by the immediate holding company.		
<b>6 Staff costs</b>	12 months ended 31.1.90 £	9 months ended 31.1.89 £
Wages and salaries	3,691,287	2,705,832
Social security costs	253,402	191,875
Other pension costs	192,404	182,331
	-----	-----
	4,137,093	3,078,038
	=====	=====
Average number of employees	438	425
<b>7 Pension benefits</b>		
The company is a member of the Saga Group PLC Pension and Life Assurance Scheme which is a defined benefit pension scheme. Contributions to the Scheme are based on pension costs across the group as a whole. Details of the Scheme can be found in the accounts of Saga Group PLC.		
<b>8 Taxation on profit on ordinary activities</b>	12 months ended 31.1.90 £	9 months ended 31.1.89 £
UK Corporation tax (35%)	1,166,749	420,466
Deferred taxation	-	3,000
	-----	-----
	1,166,749	423,466
	=====	=====
<b>9 Current asset investments</b>	31 January 1990 £	31 January 1989 £
Deposits with banks and local authorities	5,885,350	633,361
	=====	=====

**SAGA HOLIDAYS LIMITED**

**NOTES TO THE ACCOUNTS CONTINUED**

10 Debtors	31 January 1990 £	31 January 1989 £
Trade debtors	26,319	301,201
Other debtors	883,545	352,257
Prepayments	1,833,936	862,804
Amount owed by Saga Group PLC	15,149,310	16,601,799
Amount owed by fellow subsidiaries	90,129	77,732
	-----	-----
	<u>17,983,239</u>	<u>18,195,793</u>
	=====	=====
11 Creditors	31 January 1990 £	31 January 1989 £
Bank overdraft	182,186	1,296,235
Advance holiday receipts	14,578,770	12,519,766
Trade creditors	4,132,056	2,682,591
Corporation tax	1,344,515	420,466
Other tax and social security	95,114	127,532
Other creditors	899,347	120,007
Accruals and deferred income	196,542	1,611,962
Amounts due to fellow subsidiaries	1,882,658	1,174,442
	-----	-----
	<u>23,311,188</u>	<u>19,953,001</u>
	=====	=====
12 Provision for liabilities and charges	31 January 1990 £	31 January 1989 £
Deferred taxation		
Balance as at 31 January 1989	3,000	-
Charge for the year	-	3,000
	-----	-----
Balance as at 31 January 1990	3,000	3,000
	-----	-----
The major component of the provision for deferred taxation is		
Accelerated capital allowances	3,000	3,000
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	<u>3,000</u>	<u>3,000</u>
	=====	=====

# SAGA HOLIDAYS LIMITED

## NOTES TO THE ACCOUNTS CONTINUED

<b>13 Lease commitments</b>	<b>31 January</b>	<b>31 January</b>
	1990	1989
Operating leases	£	£
The annual commitment under cancellable operating leases was as follows:		
Land and buildings		
Leases expiring within one year	-	12,930
Within two to five years	25,000	15,150
Thereafter	15,150	25,000
	<u>40,150</u>	<u>53,080</u>
	=====	=====
<b>14 Called up share capital</b>	<b>31 January</b>	<b>31 January</b>
	1990	1989
	£	£
Authorised 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	=====	=====
Allotted, called-up and fully paid 1,000,000 ordinary shares	1,000,000	1,000,000
	=====	=====
<b>15 Profit and loss account</b>	<b>31 January</b>	<b>31 January</b>
	1990	1989
	£	£
Balance as at 31 January 1989	756,739	-
Profit for the year	2,160,742	756,739
	<u>2,917,481</u>	<u>756,739</u>
	=====	=====

### 16 Ultimate holding company

The ultimate holding company is Saga Leisure Limited which is incorporated in Great Britain.