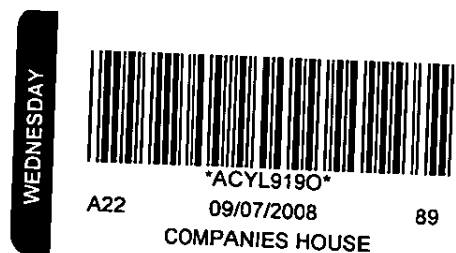


SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2008

Company registration number: 6023948



**SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)**

Directors' report

Directors:	J A Goodsell	(appointed 11 December 2006)
	T B Bull	(appointed 11 December 2006)
		(resigned 19 December 2007)
	P F Callander	(appointed 5 February 2007)
	J D Cameron	(appointed 5 February 2007)
	S M Howard	(appointed 11 December 2006)

Secretary: J Davies (appointed 11 December 2007)

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

The Directors submit their report together with the audited financial statements for the period ended 31 January 2008

Results and dividends

The loss before taxation for the period amounted to £179,000. A loss after taxation of 129,000 has been transferred to reserves. No dividends have been paid in the period.

Principal activity and review of business

The Company's principal activity is the provision of a non-medical home help to the over-50's. The Company has completed a satisfactory period and during the coming year the Company will continue to invest in developing its business.

The Company was incorporated 11 December 2006 and began trading on 8th June 2007.

On 8 January 2007 the Company changed its name from Saga ABC1 Limited to Saga Independent Living Limited.

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)
Directors' report continued

Statement of directors' responsibilities

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

The Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The Directors confirm that the accounting policies are appropriate to the Company's business and have been applied consistently In preparing the financial statements for the year, the Directors have made reasonable and prudent judgements and have ensured that applicable accounting standards have been followed

The Company had net liabilities at the period end The Directors have considered the future cashflows of the Company, when its liabilities fall due and, taking into account the undertaking provided by its parent company Saga Group Limited to continue to provide financial support as required, have concluded that the Company has sufficient financial resources to meet its liabilities as they fall due for the foreseeable future and have therefore presented the results for the period 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

Disclosure of information to the auditors

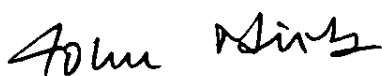
Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Relevant audit information is that information needed by the auditor in connection with preparing its report So far as each director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors

By order of the Board



J Davies
Secretary
4 July 2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SAGA INDEPENDENT LIVING LIMITED (FORMERLY SAGA ABC1 LIMITED)**

We have audited the Company's financial statements for the period ended 31 January 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Shareholders' Funds, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under 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

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

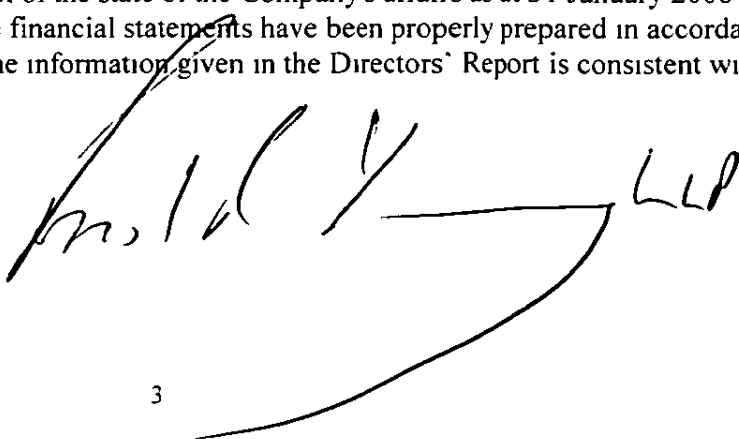
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 - (a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 January 2008 and of its loss for the period then ended, (b) the financial statements have been properly prepared in accordance with the Companies Act 1985, and (c) the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP
Registered Auditor
London

7 July 2008



SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)

Profit and loss account for the 14 months ended 31 January 2008

	Note	2008 £'000
Turnover	2	46
Cost of sales		(69)
Gross loss		<u>(23)</u>
Administrative and marketing expenses		(156)
Loss on ordinary activities before taxation	3	<u>(179)</u>
Taxation	7	50
Retained loss for the financial period	13	<u><u>(129)</u></u>

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

	Note	2008 £'000
Reconciliation of shareholders' deficit		
Total recognised gains and losses relating to the period		(129)
Issue of ordinary share capital		<u>-</u>
Net movement in shareholders' deficit		(129)
Shareholders' deficit brought forward		<u>-</u>
Shareholders' deficit carried forward		<u><u>(129)</u></u>

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)
Balance sheet as at 31 January 2008

	Note	2008 £'000
Fixed Assets		
Tangible Assets	9	51
Current assets		
Debtors	10	15
		<u>15</u>
Creditors - amounts falling due within one year	11	(195)
Net current liabilities		<u>(180)</u>
Net Liabilities		<u>(129)</u>
Capital and reserves		
Called up share capital	12	-
Profit and loss account	13	(129)
Equity shareholders' deficit		<u>(129)</u>

Signed for and on behalf of the Board by



S M Howard
 Director
 4 July 2008

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)

Notes to the financial statements

1 Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards as defined in Companies Act 1985 s.256. The Company has net liabilities at the period end. The Directors consider that, taking into account the parent company undertaking described below, the Company has sufficient financial resources to meet its liabilities as they fall due for the foreseeable future and therefore adopted the going concern basis in preparing these Financial Statements. The Company's parent, Saga Group Limited, has agreed to provide the Company with the financial support necessary to enable it to meet its liabilities as they fall due.

b) Turnover

Services rendered relating to the provision of non-medical home help are charged on an hourly basis and income is credited to the profit and loss account in line with the services provided.

c) Tangible fixed assets

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

Computer equipment & software 3 years

d) 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.

e) Pension benefits

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

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company is accounting for its pension expense on a defined contribution basis in accordance with paragraph 9 of FRS 17 (Retirement benefits). The costs of providing these benefits are charged to the profit and loss account on a regular basis. Amounts charged to operating profit represent the contributions payable to the scheme in the year.

e) Cash flow statement

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

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)
Notes to the financial statements – continued

2 Turnover

Turnover, which all relates to continuing business, relates to services charged by the hour. Turnover is stated net of VAT. All business is carried out in the UK

3 Loss on ordinary activities before taxation

	2008
Loss on ordinary activities before taxation is stated after	£'000
charging -	

Depreciation of tangible fixed assets	13
Fees for the audit of the Company	10
	<hr/>

Any fees paid to the Company's auditor, Ernst & Young LLP, for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the ultimate parent undertaking, Acromas Holdings Limited (formerly Spring & Alpha Topco Limited), are required to disclose non-audit fees on a consolidated basis

4 Directors' emoluments

J A Goodsell, T B Bull, P F Callander, J D Cameron and S M Howard are remunerated by Saga Group Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. The emoluments of these Directors are not recharged to the Company and none of these Directors received any emoluments during the year in respect of their services as a Director of the Company (2007 £nil)

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)

Notes to the financial statements - continued

5	Staff costs	2008
		£'000
	Wages and salaries	91
	Social security costs	5
	Pension costs	4
	Other costs	1
		<u>101</u>
	The monthly average number of employees during the period was as follows -	2008
		No
	Operations	9
	Administration and management	<u>3</u>
		<u>12</u>

6 Pension benefits

The Company is a member of the Saga Group Pension and Life Assurance Scheme which is a defined benefit scheme

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company is accounting for its pension expense on a defined contribution basis in accordance with paragraph 9 of FRS 17 (Retirement benefits). The FRS17 surplus (gross of deferred taxation) of the Scheme at 31 January 2008 was £20.3 million (2007 - £0.2 million)

Further details of the Scheme can be found in the financial statements of the ultimate holding company, Acromas Holdings Limited (formerly Spring & Alpha Topco Limited)

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)
Notes to the financial statements - continued

7	Taxation	2008 £'000
	UK corporation tax at 30% – current tax	<u>(50)</u>

Reconciliation of Current Tax Charge -	2008 £'000
Pre-tax loss at 30%	(54)
Depreciation in excess of capital allowances	<u>4</u>
	<u>(50)</u>

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

A deferred tax asset of £4,000 has not been recognised in these financial statements as, on the basis of the evidence currently available, there will not be sufficient taxable profits in the future against which the deferred tax asset would be offset

The UK corporation tax rates have decreased from 30% to 28% from 1 April 2008. This rate change will affect the amount of future tax receipts by the Company for group losses surrendered.

Other than this, there are no circumstances foreseen that are expected to materially impact future tax charges.

8 **Dividends**

No dividend has been paid in the period.

9	Tangible fixed assets	Computer equipment & software £'000
	Cost	
	Additions	<u>64</u>
	At 31 January 2008	<u>64</u>
	Depreciation	
	Charge for period	<u>13</u>
	At 31 January 2008	<u>13</u>
	Net book value	
	At 31 January 2008	<u>51</u>

SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)

Notes to the financial statements - continued

10	Debtors	2008
		£'000
	Trade debtors	15
		<u>15</u>

11	Creditors – amounts falling due within one	2008
		£'000
	Amounts owed to group undertakings	164
	Accruals and deferred income	31
		<u>195</u>

12	Called up share capital	2008
	Authorised	£
	100 ordinary shares of £1 each	100
	Allotted and fully paid	
	100 ordinary shares of £1 each	<u>100</u>

13	Profit and loss account	2008
		£'000
	Retained loss for the period	(129)
	At 31 January	<u>(129)</u>

14 Related party transactions

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

**SAGA INDEPENDENT LIVING LIMITED
(FORMERLY SAGA ABC1 LIMITED)**

Notes to the financial statements – continued

15 Ultimate parent undertaking

The immediate parent undertaking is Saga Group Limited, a company which is registered in England. The financial statements of the Company have been consolidated in the group financial statements of Acromas Holdings Limited (formerly Spring & Alpha Topco Limited) (the ultimate parent undertaking), a company which is registered in England. Saga Holdings Limited was the ultimate parent undertaking until 18 September 2007 when it was acquired by Acromas Holdings Limited (formerly Spring & Alpha Topco Limited).

16 Ultimate controlling party

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