

SAGA INDEPENDENT LIVING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2012

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SAGA INDEPENDENT LIVING LIMITED

Directors' report

Directors:

J A Goodsell	
P F Callander	(resigned 6 December 2011)
A Davies	(resigned 14 December 2011)
A L Hoskins	(resigned 6 December 2011)
S M Howard	
R S Oakden	(resigned 14 June 2011)
R C Ramsden	
J Ivers	(appointed 23 August 2011)
M A Ellis	(appointed 7 December 2011)

Secretary: J Davies

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

Company Registration no: 6023948

The directors submit their report together with the audited financial statements for the year ended 31 January 2012

Principal activity and review of business

Until 1st February 2011, being the first day of this accounting period, the Company's principal activity was the provision of non-medical home help to the over-50's. On 1st February 2011 the Company's business and assets and liabilities were sold to Nestor Primecare Services Limited, a fellow subsidiary (indirectly) of the Company's immediate parent Saga Group Limited. Consideration was £(1,490,000) negative, settled via the intercompany account with the acquiring company, this being the book value of the net liabilities as at that date. Saga Independent Living Limited did not therefore trade after 1st February 2011, and the directors do not expect any activity to occur in the foreseeable future. The directors expect that the Company will remain in existence as a dormant entity for the foreseeable future.

Also on 1st February 2011, the Company sold the entirety of its investments in Saga Independent Living (Hove) Limited, Cooksbridge Care Services Limited and Greenbanks Homecare Limited to Nestor Primecare Services Limited.

Results and dividends

As the Company's business and all its assets and liabilities were sold to another group company on the first day of this accounting period, neither profit nor loss arose in the year ended 31st January 2012 (2011 – loss after taxation of (£623,000)). No dividends were paid in the year (2011 – £nil).

Risks and uncertainties

The Company ceased to trade on 1st February 2011. Discussions of risk factors affecting its business are therefore no longer applicable.

SAGA INDEPENDENT LIVING LIMITED
Directors' report continued

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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) 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 judgments and accounting 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, and

The Company has net liabilities at the year end The directors consider that, taking into account the parent company undertaking by Acromas Holdings Limited, the Company has sufficient 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 Saga Group Limited, the immediate parent company, has agreed to provide the Company with the financial support necessary to enable it to meet its liabilities as they fall due

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 at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

In accordance with section 487(2) of the Companies Act 2006, the Auditors Ernst & Young LLP are deemed re-appointed

By order of the Board

J Davies
Secretary


24 July 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA INDEPENDENT LIVING LIMITED

We have audited the financial statements of Saga Independent Living Limited for the year ended 31 January 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of shareholders' funds and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining audit evidence about the amounts and disclosures sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the affairs of Saga Independent Living Limited as at 31 January 2012,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.

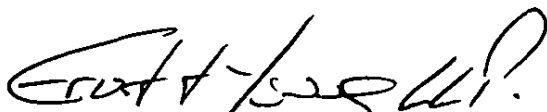
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Benjamin Gregory (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London



2012

SAGA INDEPENDENT LIVING LIMITED**Profit and loss account for the year ended 31 January 2012**

	Note	2012 £'000	2011 £'000
Turnover	2	-	1,066
Cost of sales		-	(890)
Gross profit		<u>-</u>	<u>176</u>
Administrative and marketing expenses		-	(1,040)
Loss on ordinary activities before taxation	3	<u>-</u>	<u>(864)</u>
Taxation	7	-	241
Retained loss for the financial year	14	<u><u>-</u></u>	<u><u>(623)</u></u>

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

Reconciliation of shareholders' funds	2012 £'000	2011 £'000
Total recognised gains and losses relating to the year	<u>-</u>	<u>(623)</u>
Net movement in shareholders' deficit	-	(623)
Shareholders' deficit brought forward	<u>(1,490)</u>	<u>(867)</u>
Shareholders' deficit carried forward	<u><u>(1,490)</u></u>	<u><u>(1,490)</u></u>

The notes on pages 7 to 12 form an integral part of these financial statements

SAGA INDEPENDENT LIVING LIMITED

Balance sheet as at 31 January 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	9	-	302
Investment in subsidiary undertakings	10	-	14,069
Current assets			
Debtors	11	-	318
Cash at bank and in hand		-	10
		<u>-</u>	<u>328</u>
Creditors - amounts falling due within one year	12	<u>(1,490)</u>	<u>(16,189)</u>
Net current liabilities		<u>(1,490)</u>	<u>(15,861)</u>
Net liabilities		<u><u>(1,490)</u></u>	<u><u>(1,490)</u></u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	<u>(1,490)</u>	<u>(1,490)</u>
Shareholders' deficit		<u><u>(1,490)</u></u>	<u><u>(1,490)</u></u>

The notes on pages 7 to 12 form an integral part of these financial statements

The financial statements on pages 5 to 12 were approved by the Board and authorised for signing

Signed for and on behalf of the Board by



S M Howard
Director
24 July 2012

SAGA INDEPENDENT LIVING 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 2006 s 464

The Company has net liabilities at the year 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
Fixtures & fittings	3 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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 accounts for its pension expense on a defined contribution basis in accordance with 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.

SAGA INDEPENDENT LIVING LIMITED
Notes to the financial statements – continued

1 Accounting policies (continued)

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

f) Basis of consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements as it is a wholly owned subsidiary of its ultimate parent Acromas Holdings Limited

2 Turnover

Turnover, which all relates to continuing business, relates to services charged by the hour
All business is carried out in the UK

3 Loss on ordinary activities before taxation

	2012 £'000	2011 £'000
Loss on ordinary activities before taxation is stated after charging -		
Depreciation of tangible fixed assets	-	43
Fees for the audit of the Company	-	12

Audit fees of £500 in the current year have been borne and paid by a fellow group undertaking. No fees were paid by the Company to the Group's auditors for non-audit services in the year (year to 31 January 2011 £nil)

4 Directors' emoluments

	2012 £'000	2011 £'000
Aggregate emoluments in respect of qualifying services	-	-
	2012	2011
Members of defined benefit pension scheme	-	-

J A Goodsell, S M Howard, P F Callander, A Davies, A L Hoskins, R C Ramsden and R S Oakden were remunerated by Saga Group Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. None of these directors received any emoluments during the year in respect of their services as a director of the Company (2011 £nil) and it would not be practicable to apportion their emoluments between their services as directors of the Company and their services as directors of other group companies. The Company has not been recharged any amount for the emoluments of these directors (2011 £nil)

J Ivers and M A Ellis were remunerated by Nestor Primecare Services Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. Neither of these directors received any emoluments during the year in respect of their services as a director of the Company (2011 £nil) and it would not be practicable to apportion their emoluments

SAGA INDEPENDENT LIVING LIMITED
Notes to the financial statements - continued

4 Directors' emoluments (continued)

between their services as directors of the Company and their services as directors of other group companies. The Company has not been recharged any amount for the emoluments of these directors (2011: £nil)

5 Staff costs	2012	2011
	£'000	£'000
Wages and salaries	-	1,179
Social security costs	-	70
Pension costs	-	35
Other costs	-	4
	<u>-</u>	<u>1,288</u>
The monthly average number of employees during the year was as follows -	2012	2011
	No	No
Operations	-	78
Administration and management	-	17
	<u>-</u>	<u>95</u>

6 Pension benefits

The Company is a member of the Saga Pension 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 2012 was £0.9 million (2011: £7.2 million).

Further details of the Scheme can be found in the financial statements of the ultimate holding company, Acromas Holdings Limited.

SAGA INDEPENDENT LIVING LIMITED
Notes to the financial statements - continued

7 Taxation	2012 £'000	2011 £'000
UK corporation tax at 26 32% (2011 – 28%) – current year	-	(237)
Current tax	-	(237)
Deferred tax – current year	-	(4)
	-	(241)
Reconciliation of current tax credit -	2012 £'000	2011 £'000
Pre-tax loss at 26 32% (2011 – 28%)	-	(242)
Other timing differences	-	14
Depreciation in excess of capital allowances	-	(9)
Current tax credit for the year	-	(237)

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

There are no circumstances foreseen that are expected to materially impact future tax charges

8 Dividends

No dividend has been paid in the year (2011 - £nil)

9 Tangible fixed assets

	Computer equipment & software £'000	Fixtures & fittings £'000	Total £ 000
Cost			
At 1 February 2011	385	27	412
Disposal to other group company	(385)	(27)	(412)
At 31 January 2012	-	-	-
Depreciation			
At 1 February 2011	110	-	110
Disposal to other group company	(110)	-	(110)
At 31 January 2012	-	-	-
Net book value			
At 31 January 2012	-	-	-
At 31 January 2011	275	27	302

SAGA INDEPENDENT LIVING LIMITED
Notes to the financial statements - continued

10 Investment in subsidiaries

	Subsidiary undertakings £'000
Cost/Net Book Value	
At 1 February 2011	14,069
Disposal to other group company	(14,069)
At 31 January 2012	<u>-</u>

11 Debtors due in less than one year	2012 £'000	2011 £'000
Trade debtors	-	286
Prepayments and accrued income	-	16
Deferred taxation	-	16
	<u>-</u>	<u>318</u>

Deferred tax at 31st January 2011 comprised an excess of depreciation over capital allowances of £3,000 and other short term timing differences of £13,000

12 Creditors – amounts falling due within one year	2012 £'000	2011 £'000
Amounts owed to group undertakings	1,490	16,023
Accruals and deferred income	-	166
	<u>1,490</u>	<u>16,189</u>

13 Called up share capital	2012 £	2011 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 Profit and loss account	2012 £'000	2011 £'000
At start of year	(1,490)	(867)
Retained loss for the year	-	(623)
At 31 January	<u>(1,490)</u>	<u>(1,490)</u>

SAGA INDEPENDENT LIVING LIMITED
Notes to the financial statements – continued

15 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

16 Disposal of trade and assets

On 1 February 2011 the Company's business was transferred to Nestor Primecare Services Limited, a fellow group undertaking, and all of its assets and liabilities were also sold to that company, at their then respective values. Consideration was £(1,490,000) (negative), settled via the intercompany account with the acquiring company. The Company has not traded since that date.

17 Immediate and 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 (the ultimate parent undertaking), a company which is registered in England.

18 Ultimate controlling party

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