

6023948

**SAGA INDEPENDENT LIVING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 JANUARY 2010**

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**SAGA INDEPENDENT LIVING LIMITED**  
**Directors' report**

**Directors:** J A Goodsell  
P F Callander  
A Davies (appointed 1 July 2009)  
A L Hoskins (appointed 1 July 2009)  
S M Howard  
R S Oaken (appointed 14 December 2009)  
R C Ramsden

**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 2010

**Results and dividends**

The loss before taxation for the year amounted to £647,000 (2009 - £385,000) A loss after taxation of £455,000 (2009 - £283,000) has been transferred to reserves No dividends have been paid in the year (2009 - £nil)

**Principal activity and review of business**

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

**Risks and Uncertainties**

The impact of the current economic climate has impacted significantly upon Saga Independent Living Limited This continues to be an area that could produce uncertainties for the care industry.

**Future Developments**

The Directors consider the results for the year to be satisfactory and are anticipating an increase in growth of the business in the coming year

## **SAGA INDEPENDENT LIVING LIMITED**

### **Directors' report continued**

#### **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 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 year 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 year 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 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

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

#### **Disclosure of information to the auditors**

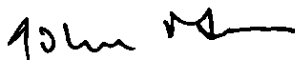
Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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  
6 July 2010

## **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 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Shareholders' Deficit, the Balance Sheet and the related notes 1 to 16. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement as 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 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 evidence about the amounts and disclosures in the financial statements 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.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 January 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year 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



Kevin Senior (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
7 July 2010

**SAGA INDEPENDENT LIVING LIMITED****Profit and loss account for the year ended 31 January 2010**

	Note	2010 £'000	2009 £'000
<b>Turnover</b>	2	451	204
Cost of sales		(394)	(188)
<b>Gross profit</b>		<u>57</u>	<u>16</u>
Administrative and marketing expenses		(704)	(401)
<b>Loss on ordinary activities before taxation</b>	3	(647)	(385)
Taxation	7	192	102
<b>Retained loss for the financial year</b>	13	<u>(455)</u>	<u>(283)</u>

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

	Note	2010 £'000	2009 £'000
<b>Reconciliation of shareholders' deficit</b>			
Total recognised gains and losses relating to the year		<u>(455)</u>	<u>(283)</u>
Net movement in shareholders' deficit		(455)	(283)
Shareholders' deficit brought forward		<u>(412)</u>	<u>(129)</u>
Shareholders' deficit carried forward		<u>(867)</u>	<u>(412)</u>

**SAGA INDEPENDENT LIVING LIMITED**  
**Balance sheet as at 31 January 2010**

	Note	2010 £'000	2009 £'000
<b>Fixed Assets</b>			
Tangible Assets	9	78	55
<b>Current assets</b>			
Debtors	10	102	28
Cash at bank and in hand		1	-
		<u>103</u>	<u>28</u>
<b>Creditors - amounts falling due within one year</b>	11	(1,048)	(495)
<b>Net current liabilities</b>		<u>(945)</u>	<u>(467)</u>
<b>Net Liabilities</b>		<u>(867)</u>	<u>(412)</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	(867)	(412)
<b>Shareholders' deficit</b>		<u>(867)</u>	<u>(412)</u>

Signed for and on behalf of the Board by



S M Howard  
 Director  
 6 July 2010

# **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
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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

**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**

	2010	2009
	£'000	£'000
Loss on ordinary activities before taxation is stated after charging -		
Depreciation of tangible fixed assets	32	22
Fees for the audit of the Company	10	10

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, are required to disclose non-audit fees on a consolidated basis.

**4 Directors' emoluments**

	2010	2009
	£'000	£'000
Aggregate emoluments in respect of qualifying services	16	-
	2010	2009
Members of defined benefit pension scheme	6	5

J A Goodsell, P F Callander 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 (2009: £nil).

R C Ramsden, A Davies and A L Hoskins are remunerated by Saga Services 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 (2009: £nil).

The Directors' emoluments shown above relate to the remaining Directors.



**SAGA INDEPENDENT LIVING LIMITED**  
**Notes to the financial statements - continued**

<b>5</b>	<b>Staff costs</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	Wages and salaries	607	339
	Social security costs	37	21
	Pension costs	34	15
	Other costs	8	2
		<u>686</u>	<u>377</u>
	The monthly average number of employees during the year was as follows -	<b>2010</b>	<b>2009</b>
		<b>No</b>	<b>No</b>
	Operations	51	25
	Administration and management	<u>10</u>	<u>8</u>
		<u>61</u>	<u>33</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 deficit (gross of deferred taxation) of the Scheme at 31 January 2010 was £7.0 million (2009 - £11.5 million surplus).

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**

<b>7</b>	<b>Taxation</b>	2010 £'000	2009 £'000
	UK corporation tax at 28% (2009 – 28 33%) – current year	(180)	(104)
	Adjustments relating to prior periods	-	2
	Current tax	(180)	(102)
	Deferred tax – current year	(12)	-
		<u>(192)</u>	<u>(102)</u>
	 Reconciliation of Current Tax Credit -	 2010	 2009
		£'000	£'000
	Pre-tax loss at 28% (2009 – 28 33%)	(181)	(109)
	Adjustments relating to prior periods	-	2
	Other timing differences	-	(3)
	Depreciation in excess of capital allowances	1	8
	Current tax credit for the year	<u>(180)</u>	<u>(102)</u>

The tax credit for the current 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 (2009 - £nil)

**SAGA INDEPENDENT LIVING LIMITED**  
**Notes to the financial statements - continued**

**9 Tangible fixed assets**

Computer  
equipment  
& software  
£'000

**Cost**

At 1 February 2009	90
Additions	55
At 31 January 2010	<u>145</u>

**Depreciation**

At 1 February 2009	35
Charge for year	32
At 31 January 2010	<u>67</u>

**Net book value**

At 31 January 2010	<u>78</u>
At 31 January 2009	<u>55</u>

**10 Debtors**

2010 £'000	2009 £'000
Trade debtors	28
Deferred taxation	-
<u>102</u>	<u>28</u>

Deferred tax comprises of an excess of depreciation over capital allowances of £12,000 (2009 - £nil)

In 2009, there was an unrecognised deferred tax asset of £11,000 which has been recognised in the current year

**11 Creditors – amounts falling due within one**

2010 £'000	2009 £'000
Amounts owed to group undertakings	451
Accruals and deferred income	44
<u>1,048</u>	<u>495</u>

**12 Called up share capital**

2010 £	2009 £
Allotted, called up and fully paid	
100 ordinary shares of £1 each	100
<u>100</u>	<u>100</u>

**SAGA INDEPENDENT LIVING LIMITED**  
**Notes to the financial statements – continued**

<b>13 Profit and loss account</b>	<b>2010</b>	<b>2009</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At start of year	(412)	(129)	
Retained loss for the year	<u>(455)</u>	<u>(283)</u>	
At 31 January	<u><u>(867)</u></u>	<u><u>(412)</u></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.

**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 (the ultimate parent undertaking), a company which is registered in England.

**16 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.