

6564417

SAGA CRUISES III LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2010

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SAGA CRUISES III LIMITED

Directors' report

Directors	J Dûguid	
	G Laversuch	
	S M Hooper	(appointed 1 April 2010)
	P R Shaw	(appointed 1 May 2010)

Secretary	J Davies
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Registered Office	Enbrook Park, Folkestone, Kent CT20 3SE
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Company Registration no: 6564417

The Directors submit their report together with audited financial statements for the period ended 31 January 2010

Results and dividends

The profit before taxation for the period amounts to £10,000 (2009 –loss of £178,000) After taxation, a profit of £7,000 (2009 – loss of £193,000) has been taken to reserves No dividends have been paid in the period (2009 - £nil)

Principal activity and review of business

The Company's principal activity was previously the chartering of a cruise ship to its parent company Acromas Shipping Limited

In the prior year, the Directors decided to cease trading as the Company had not acquired a cruise ship Accordingly all the results relate to discontinued operations and the accounts have been prepared on a break-up basis

SAGA CRUISES III 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 period, 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 financial statements on a break up 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

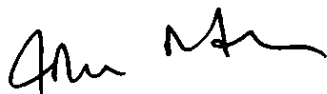
Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 CRUISES III LIMITED

We have audited the financial statements of Saga Cruises III 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' Funds, the Balance Sheet and the related notes 1 to 13. 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 profit 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 CRUISES III LIMITED**Profit and loss account for the year ended 31 January 2010**

	Notes	2010 £'000	2009 £'000
Other operating income	2	10	53
Operating profit		<u>10</u>	<u>53</u>
Loss on disposal of fixed assets		-	(231)
Profit / (loss) on ordinary activities before taxation	3	10	(178)
Taxation	6	(3)	(15)
Retained profit / (loss) for the financial period	10	<u>7</u>	<u>(193)</u>

The comparative profit and loss account shows the Company's trading result for the ten month period ended 31 January 2009. These amounts all relate to discontinuing activities.

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

Reconciliation of shareholders' funds	2010 £'000	2010 £'000
Total recognised gains and losses relating to the period	7	(193)
Net movement in shareholders' funds / (deficit)	7	(193)
Shareholders' deficit brought forward	(193)	-
Shareholders' deficit carried forward	<u>(186)</u>	<u>(193)</u>

SAGA CRUISES III LIMITED
Balance sheet as at 31 January 2010

	Notes	2010 £'000	2009 £'000
Current assets			
Debtors	7	-	7
Cash on deposit		<u>6</u>	<u>2,712</u>
		6	2,719
Creditors - amounts falling due within one year	8	<u>(192)</u>	<u>(2,912)</u>
Net current liabilities		<u>(186)</u>	<u>(193)</u>
Total assets less current liabilities		<u>(186)</u>	<u>(193)</u>
Capital and reserves			
Called-up share capital	9	-	-
Profit and loss account	10	<u>(186)</u>	<u>(193)</u>
Shareholders' deficit		<u>(186)</u>	<u>(193)</u>

Signed for and on behalf of the Board by



P R Shaw
 Director
 6 July 2010

SAGA CRUISES III LIMITED
Notes to the financial statements

1 Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention on a break-up basis, and in accordance with applicable accounting standards as defined in the 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. The Company's parent, Acromas Shipping Limited, has agreed to provide the Company with the financial support necessary to enable it to meet its liabilities as they fall due.

b) 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.

c) Interest income

Revenue is recognised as interest accrues.

2 Other operating income

	2010	2009
	£'000	£'000
Interest on deposits	10	53
	<u>10</u>	<u>53</u>

3 Operating profit

	2010	2009
	£'000	£'000
Operating profit is stated after charging		
Fees for the audit of the Company	<u>5</u>	<u>5</u>

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. The fees for the audit of the Company have been borne by its immediate parent company, Acromas Shipping Limited.

SAGA CRUISES III LIMITED

Notes to the financial statements continued

4 Staff costs

The Company does not employ any staff

5 Directors emoluments

J Duguid and G Laversuch are remunerated by Acromas Shipping Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. The emoluments of J Duguid and G Laversuch are not recharged to the Company and neither of these Directors received any emoluments during the year in respect of their services as a Director of the Company (2009 £nil)

S M Hooper is remunerated by Saga Group Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. This Director did not receive any emoluments during the year in respect of their services as a Director of the Company (2009 £nil)

P R Shaw is remunerated by Acromas Holidays Limited, a fellow subsidiary of the ultimate holding company, Acromas Holdings Limited. This Director did not receive any emoluments during the year in respect of their services as a Director of the Company (2009 £nil)

6 Taxation

	2010 £'000	2009 £'000
UK corporation tax at 28% (2009 - 28.33%) – current period	3	15
Reconciliation of Current Tax Charge -	2010 £'000	2009 £'000
Pre-tax losses at 28% (2009 - 28.33%)	3	(50)
Permanent differences	-	65
Current tax charge for the period	3	15

The tax charge for the current year is entirely made up of payments to other group companies for group relief

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

7 Debtors

	2010 £'000	2009 £'000
Other debtors	-	7
	-	7

SAGA CRUISES III LIMITED**Notes to the financial statements continued****8 Creditors – amounts falling due within one year**

	2010 £'000	2009 £'000
Amount owed to Group undertakings	192	2,912
	<u>192</u>	<u>2,912</u>

9 Called up share capital

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

10 Profit and loss account

	2010 £'000	2009 £'000
At start of period	(193)	-
Retained profit / (loss) for the period	7	(193)
At 31 January	<u>(186)</u>	<u>(193)</u>

11 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

12 Ultimate parent undertaking

The immediate parent undertaking is Acromas Shipping Limited, a company which is registered in England. The Company is wholly owned by Acromas Shipping Limited.

The financial statements of the Company have been consolidated in the group financial statements of Acromas Holidays Limited (a parent undertaking) and Acromas Holdings Limited (the ultimate parent undertaking), both of which are registered in England. Acromas Holidays Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

13 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.