

SAGA RETIREMENT VILLAGES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2019



SAGA RETIREMENT VILLAGES LIMITED

Company information

Directors: L H L Batchelor
J S Hill (resigned 28 September 2018)
M Watkins (appointed 25 September 2018)

Secretary: V Haynes

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

Company Registration no: 09377862

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

SAGA RETIREMENT VILLAGES LIMITED

The Directors submit the Annual Report and the audited Financial Statements for Saga Retirement Villages Limited ("the Company") for the year ended 31 January 2019.

Strategic Report

Review of Business Developments and Principal Activity

The Company's principal activity is the provision of sales and marketing services for third party retirement villages. Following the loss of the Company's sole contract during the year, the directors no longer consider the Company to be a going concern and have therefore prepared the financial statements on a break up basis. The effect of this is explained in note 2a.

The Company's key financial and other performance indicators during the period were as follows:

	2019	2018	Change
	£'000	£'000	
Turnover	20	594	(96.6%)
Gross profit	20	594	(96.6%)
Gross margin	100%	100%	0%
Loss before taxation	(284)	(113)	(151.3%)

Turnover for the year, which all arose from the Company's principal activity, was £20,000 (2018 - £594,000). The decrease was the result of the loss of the Company's sole contract in the year.

The loss before taxation for the year amounts to £284,000 (2018 - loss of £113,000). After taxation, a loss of £229,000 (2018 - loss of £92,000) has been transferred to reserves. No dividends have been paid in the year (2018 - £nil).

Principal Risks and Uncertainties

The retirement villages sector is a subsector of the wider UK residential housing market. The UK residential housing market is principally impacted by the wider UK economic environment, and the availability and cost of mortgage finance.

Financial Risk

The company is exposed to financial risk through its financial assets and liabilities. The components of financial risk are liquidity, cash flow and counterparty credit risk.

Liquidity Risk

The company may be unable to meet its obligations as they fall due as a consequence of having a timing mismatch. Management considers that the liquidity risk relates to the risk associated with the processes of managing timing relationships between assets and liability cash flow patterns.

SAGA RETIREMENT VILLAGES LIMITED
Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Operational Risk

Key operational risks the Company faces include the risk of direct and/or indirect loss resulting from inadequate or failed internal and external processes and systems, from fraud or human error or from external events. There could be a failure, weakness in, or security breach of, the Company's systems, processes or business continuity arrangements.

In order to manage these risks, the Company has put in place rigorous procedures and controls designed to prevent these risks occurring or, where this is not possible, to mitigate their efforts.

Future Developments

The Company expects to become a dormant company in the future if no further contracts are obtained.

By order of the Board



M Watkins
Director
10 September 2019

SAGA RETIREMENT VILLAGES LIMITED

Directors' report

The Directors submit the Directors' Report of the Company for the year ended 31 January 2019.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report, Strategic Report and Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

SAGA RETIREMENT VILLAGES LIMITED
Directors' report (continued)

Going concern

The Directors have considered the Company's ability to manage its business risks and the financial position of the entity which includes the deficiency of net current assets to cover net current liabilities. Following the loss of the Company's sole contract during the year, the directors do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements have been prepared on a break up basis.

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 Auditor KPMG LLP is deemed re-appointed.

By order of the Board



M Watkins
Director

10 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA RETIREMENT VILLAGES LIMITED

Opinion

We have audited the financial statements of Saga Retirement Villages Limited ("the Company") for the year ended 31 January 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 2a to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA RETIREMENT VILLAGES LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA RETIREMENT VILLAGES LIMITED (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Cheryl Mason (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

18 September 2019

SAGA RETIREMENT VILLAGES LIMITED
Income statement for the year ended 31 January 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	20	594
Cost of sales		-	-
Gross profit		<u>20</u>	<u>594</u>
Administrative and marketing expenses		(304)	(707)
Loss on ordinary activities before taxation	4	<u>(284)</u>	<u>(113)</u>
Taxation	8	55	21
Loss for the financial period		<u>(229)</u>	<u>(92)</u>

There are no other items of comprehensive income other than those included above in the income statement; accordingly the loss for the financial period is also total comprehensive loss for the year.

Notes 1 to 15 form an integral part of these financial statements.

SAGA RETIREMENT VILLAGES LIMITED
Balance sheet as at 31 January 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	9	-	1
Current assets			
Debtors	10	-	16
			16
Creditors - amounts falling due within one year	11	(227)	(15)
Net current liabilities		(227)	1
Net liabilities		(227)	2
Capital and reserves			
Called-up share capital	12	-	-
Retained earnings		(227)	2
Shareholders' funds		(227)	2

Signed for and on behalf of the Board by



M Watkins
 Director
 10 September 2019

Notes 1 to 15 form an integral part of these financial statements.

SAGA RETIREMENT VILLAGES LIMITED**Statement of changes in equity for the year ended 31 January 2019**

	Called-up Share Capital £'000	Capital Contribution Reserve £'000	Retained Earnings £'000	Total Shareholders' Funds £'000
At 1 February 2017	-	-	94	94
Loss for the financial period	-	-	(92)	(92)
At 31 January 2018	-	-	2	2
Loss for the financial year	-	-	(229)	(229)
At 31 January 2019	-	-	(227)	(227)

Notes 1 to 15 form an integral part of these financial statements.

SAGA RETIREMENT VILLAGES LIMITED

Notes to the financial statements

1. General information

Saga Retirement Villages Limited (the "Company") is a company incorporated and domiciled in the UK (Company No. 09377862) with a Registered Office; Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

2. Significant Accounting policies

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

In previous years, the financial statements have been prepared on a going concern basis. However, during the year, the Company lost its sole contract. Accordingly, the directors do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements have been prepared on a break-up basis. No adjustments have been necessary to reflect the change in basis for the preparation of the financial statements.

The Company's financial statements are presented in the Company's functional currency, Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 14.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 "Financial Instruments: Disclosures".
- b) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- c) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 "Revenue from Contracts with Customers".
- d) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS1.
- e) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements".
- f) the requirements of IAS 7 "Statement of Cash Flows".

SAGA RETIREMENT VILLAGES LIMITED
Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

a) Basis of preparation

- g) the requirements of paragraphs 30 and 31 of IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors”.
- h) the requirements of paragraph 17 of IAS 24 “Related Party Disclosures”.
- i) the requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year, that are not readily apparent from other sources. However, the nature of estimation means that actual outcomes may differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no estimates, assumptions and judgements at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

c) Turnover

The Company has adopted IFRS 15 Revenue from Contracts with Customers for the first time in the year ended 31 January 2019. There was no impact on the financial statements as a result of adopting IFRS 15 and therefore prior periods have not been restated.

Sales commission from Retirement Villages is recognised on the legal completion of a property. Revenue is recognised to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates; value added tax and other sales taxes.

d) Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

SAGA RETIREMENT VILLAGES LIMITED
Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

e) Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks, in hand and short term deposits with an original maturity of three months or less.

f) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

g) Pension benefits

The Company makes contributions to the Saga Pension Scheme, a defined benefit pension scheme (the '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. The costs of providing these benefits are charged to the income statement on a regular basis. Amounts charged to operating profit represent the contributions payable to the Scheme in the year.

h) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

3. Turnover

Turnover comprises sales commission. Turnover is stated net of VAT. All business is carried out in the UK.

SAGA RETIREMENT VILLAGES LIMITED
Notes to the financial statements (continued)

4. Loss on ordinary activities before taxation	2019	2018
	£'000	£'000

This is stated after charging/(crediting):-

Depreciation of tangible fixed assets	1	-
Auditor's remuneration - audit of financial statements	8	4

Any fees paid to the Company's auditor, KPMG 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, Saga plc, are required to disclose non-audit fees on a consolidated basis.

5. Directors' remuneration

The remuneration of the directors of the company during the year was £Nil (2018: £Nil)

6. Staff costs	2019	2018
	£'000	£'000
Wages and salaries	121	257
Social security costs	9	23
Pension costs	8	15
Other costs	(2)	5
	<u>136</u>	<u>300</u>

The monthly average number of employees during the period was as follows:	2019	2018
	No.	No.

Operations	<u>2</u>	<u>3</u>
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7. 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 accounts for its pension expense on a defined contribution basis. The IAS 19 deficit (gross of deferred taxation) of the Scheme at 31 January 2019 was £2.8 million (2018 - £7.0 million).

Further details of the Scheme can be found in the financial statements of the ultimate parent company, Saga plc.

SAGA RETIREMENT VILLAGES LIMITED
Notes to the financial statements (continued)

8. Taxation	2019 £'000	2018 £'000
Current tax		
UK corporation tax at 19.00% (2018 – 19.17%)	(54)	(21)
Adjustments in respect of prior periods	(1)	-
Total current income tax	<u>(55)</u>	<u>(21)</u>
 Tax on profit on ordinary activities	 <u>(55)</u>	 <u>(21)</u>
 Reconciliation of Total Tax Credit:	 2019 £'000	 2018 £'000
Pre-tax profit at 19.00% (2018 – 19.17%)	(54)	(21)
Adjustments in respect of prior periods	(1)	-
	<u>(55)</u>	<u>(21)</u>

The corporation tax credit for the current year and 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.

9. Tangible assets

	Computers & other equipment £'000
Cost	
At 1 February 2018	1
Additions	-
Disposals	-
At 31 January 2019	<u>1</u>
Depreciation	
At 1 February 2018	-
Charge for year	1
Disposals	-
At 31 January 2019	<u>1</u>
Net book value	
At 31 January 2019	<u>-</u>
At 31 January 2018	<u>1</u>

SAGA RETIREMENT VILLAGES LIMITED
Notes to the financial statements (continued)

10. Debtors	2019	2018
	£'000	£'000
Trade debtors	-	16
	<u>-</u>	<u>16</u>

All amounts above are due in less than one year.

11. Creditors - amounts falling due within one year	2019	2018
	£'000	£'000
Amounts owed by group undertakings	227	-
Accruals	-	15
	<u>227</u>	<u>15</u>

12. Called up share capital	2019	2018
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

13. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries in the Saga group of companies.

14. Ultimate parent undertaking

The immediate parent undertaking is Saga Group Limited, a company which is registered in England and Wales. The Company is wholly owned by Saga Group Limited.

In respect of the year ending 31 January 2019, Saga plc is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

A copy of the financial statements of Saga plc for the year ended 31 January 2019 may be obtained from the corporate website www.corporate.saga.co.uk or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

15. Ultimate controlling party

The Directors consider the ultimate controlling party to be Saga plc.