

**SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
REGISTERED NUMBER: 13564639**

31 JANUARY 2023



SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Company information

Directors:	E A Sutherland	(appointed 1 September 2021)
		(resigned 16 December 2022)
	J Quin	(appointed 13 August 2021)
		(resigned 16 December 2022)
	S A Jenkins	(appointed 13 August 2021)
		(resigned 31 March 2023)
	R W Bowden-Doyle	(appointed 1 September 2021)
		(resigned 31 May 2022)
	J Constable	(appointed 1 September 2021)
	R K Sharma	(appointed 24 April 2023)

Secretary:	S A Jenkins	(appointed 13 August 2021)
		(resigned 16 December 2022)
	D Kempster	(appointed 16 December 2022)

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

Company Registration no: 13564639

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

**SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Strategic Report**

The Directors submit the Annual Report and the audited Financial Statements for Saga Travel Group Limited (formerly Titan Travel (UK) Limited) ("the Company") for the 18 month period ended 31 January 2023.

Review of business developments and principal activity

The Company was incorporated 13 August 2021. This is the first set of accounts following incorporation, and covers the period 13 August 2021 to 31 January 2023.

The principal activity of the Company is to act as an intermediate holding company.

The Company has not traded during the period.

On 30 November 2021 the Company acquired the legal entity Saga Travel Group (UK) Limited (formerly Titan Travel Group (UK) Limited) from ST&H Limited.

No dividends have been paid in the period, and no dividend has been proposed.

Change of name

On 1st December 2022, the Company changed its name from Titan Travel Limited to Saga Travel Group Limited.

Principal risks and uncertainties

This entity does not have its own risk and its risk are risk faced by its subsidiaries entities Saga Travel Group (UK) Limited and Titan Transport Limited. They have already provided disclosure in their accounts.

Future developments

The Company will continue to act as an intermediate holding company. The Company is not expected to trade in the future.

By order of the Board

A handwritten signature in black ink, appearing to read 'R Sharma', with a long horizontal stroke extending to the right.

R Sharma
Director

19 July 2023

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Directors' report

The Directors submit the Directors' Report of the Company for the period ended 31 January 2023.

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 period. 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.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Directors' report (continued)

Directors

The Directors, who served throughout the year and up to the date of this report, were as follows:

E A Sutherland	(appointed 1 September 2021) (resigned 16 December 2022)
J Quin	(appointed 13 August 2021) (resigned 16 December 2022)
S A Jenkins	(appointed 13 August 2021) (resigned 31 March 2023)
R W Bowden-Doyle	(appointed 1 September 2021) (resigned 31 May 2022)
J Constable	(appointed 1 September 2021)
R K Sharma	(appointed 24 April 2023)

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance and its exposure to risk and its management of these risks, are described on page 2.

The Directors have prepared cash flow forecasts at the subsidiaries level, considering a period of twelve months from the date of approval of these financial statements which indicate that, after taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. This is made possible through the availability of funding from its intermediate parent company, Saga Group Limited. The Directors have also considered the financial position of the wider Group that it is dependent on to ensure its continued viability.

Based on this assessment, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements for the year ending 31 January 2023. Full details regarding this assessment are included in note 2(b) to these financial statements.

Political donations

The Company has not made any political donations during the period.

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.

**SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Directors' report (continued)**

Dividends

No dividends have been paid in the period, and no dividend is proposed.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on page 2 of these financial statements.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the Auditor KPMG LLP is deemed re-appointed, and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to read 'R Sharma', with a long horizontal stroke extending to the right.

R Sharma
Director
19 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA TRAVEL GROUP LIMITED (FORMERLY TITAN TRAVEL GROUP LIMITED)

Opinion

We have audited the financial statements of Saga Travel Group Limited (formerly Titan Travel Group) ("the Company") for the period ended 31 January 2023 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 2023 and of its results for the period 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.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
(continued)**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Saga Plc (the Ultimate Parent Company)'s policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. The Company is regulated by CAA requirements because its subsidiaries Saga Travel Group (UK) Limited, Titan Transport (UK) Limited and Titan Transport Limited are governed by this regulation.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
(continued)**

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
(continued)**

Directors' responsibilities

As explained more fully in their statement set out on page 2 and 3, 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.

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.



Kevin Rose (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

20 July 2023

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Income statement for the 18 month period ended 31 January 2023

	Notes	2023 £'000
Turnover	3	-
Cost of sales		(-)
Gross profit		<hr/> -
Administrative and marketing expenses		-
Profit on ordinary activities before taxation		<hr/> -
Taxation		(-)
Profit for the financial period		<hr/> <hr/> -

The period reported above is 13 August 2021 to 31 January 2023.

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

Notes 1 to 14 form an integral part of these financial statements.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Balance sheet as at 31 January 2023

	Note	2023 £'000
Fixed assets		
Investment in subsidiary undertakings	7	<u>130</u>
		130
Current assets		
Debtors	8	<u>93,577</u>
		93,707
Creditors: amounts falling due within one year	9	(93,706)
Net current (liabilities)		<u>(129)</u>
Net assets		<u><u>1</u></u>
Capital and reserves		
Called up share capital	10	1
Profit and loss account		-
Shareholders' Fund		<u><u>1</u></u>

These financial statements were approved by the Board of Directors and were signed on its behalf by:



R Sharma
 Director
 19 July 2023
 Company registration number: 13564639

Notes 1 to 14 form an integral part of these financial statements.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Statement of changes in equity for the period ended 31 January 2023

	Called-up Share Capital £'000	Retained Earnings £'000	Total Equity £'000
At 13 August 2021	-	-	-
Share issue during the period	1		1
Profit for the financial period	-	-	-
At 31 January 2023	<u>1</u>	<u>-</u>	<u>1</u>

Notes 1 to 14 form an integral part of these financial statements.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements

1. General information

Saga Travel Group Limited (formerly Titan Travel Group Limited) (the “Company”) is a company incorporated and domiciled in the UK (Company No. 13564639) with a registered office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

On 30 November 2021 the Company acquired the legal entity Saga Travel Group (UK) Limited (formerly Titan Travel Group (UK) Limited) from ST&H Limited.

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 and on a going concern basis. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted IFRS international accounting standards in conformity with the requirements of the Companies Act 2006 (“UK-adopted IFRS”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Directors have reviewed the appropriateness of the going concern basis in preparing the financial statements, particularly in light of the COVID-19 pandemic, details of which are included in note 2b. Based on those assumptions, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements. The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006.

Saga Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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 Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Saga plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The consolidated financial statements of Saga plc (the ultimate parent undertaking), within which this Company is included, are prepared in accordance with International Financial Reporting Standard, and are publicly available, and can be obtained from the address given in note 12.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

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 requirement in paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of paragraph 79(a)(iv) of IAS1
- d) 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”
- e) the requirements of IAS 7 “Statement of Cash Flows”
- f) the requirements of paragraphs 30 and 31 of IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors”
- g) the requirements of paragraph 17 of IAS 24 “Related Party Disclosures”
- h) 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) Going concern

The Directors continue to have a reasonable expectation that the Company has adequate resources to continue in operation for the next twelve months from the date of approval of these accounts and that the going concern basis of accounting remains appropriate.

The Company's business activities, together with the factors likely to affect its future development and performance, its exposure to risk and its management of these risks, are described on pages 4 and 5. As a result, the Directors believe that the Company is well-placed to successfully manage its business risks, but given the Company is dependent on funding from its intermediate parent, Saga Group Limited, it remains exposed to the viability of the wider Saga plc Group. The Company is also dependent on the provision of back-office functions such as Finance, IT and HR that are operated centrally as shared services on behalf of the Group as a whole.

The Directors have performed an assessment of going concern to determine the adequacy of the Company's financial resources over a period of 12 months from the date of issue of these audited financial statements, a period which includes the maturity of Saga plc Group's £150m of senior bonds in May 2024.

This assessment is based on higher and lower case financial projections which incorporate scenario analysis and stress tests on expected business performance.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

2. Significant accounting policies (continued)

b) Going concern (continued)

These stresses are partially offset by discretionary cost savings and the deferral of investment expenditure that would be achieved in the event of downside trading risks materialising.

To increase liquidity and consistent also with a strategy of reducing capital intensity, in the autumn of 2022, the Saga plc Group commenced a sale process for its Insurance Underwriting business, Acromas Insurance Company Limited (AICL). The Saga plc Group aims for this sale process to be concluded in the second half of 2023.

However, given that there is no certainty that a sale of AICL will be concluded in the next 12 months, the Saga plc Group has agreed a loan facility with Sir Roger De Haan. Under the terms of this facility, if the sale of AICL is not completed prior to the end of 2023, the Saga plc Group will, from 1 January 2024, be able to borrow up to £50m to fund any liquidity needs, including repayment of the 2024 bonds. This facility is unsecured, on arms-length terms and can be drawn at the option of the Saga plc Group on 30 days' notice. The facility matures on 30 June 2025, at which point any outstanding amounts, including interest, must be repaid. Availability of funds under the facility is not contingent on financial performance or on compliance with any financial covenants.

Noting that it is not possible to predict accurately all possible future risks to the Saga plc Group's future trading, based on this analysis and the scenarios modelled the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of issue of these financial statements. They have therefore deemed it appropriate to prepare the financial statements to 31 January 2023 on a going concern basis.

Further details on the actions taken, and scenario analysis and stress tests on expected business performance, are disclosed in the Saga plc Group's latest annual report and accounts published on the Saga plc corporate website www.corporate.saga.co.uk.

Based on the analysis performed the Directors have a reasonable expectation that the Company will continue to have sufficient liquidity for at least the next 12 months from the date of approval of these accounts and accordingly have prepared the financial statements on a going concern basis.

c) 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.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

2. Significant accounting policies (continued)

c) Judgements and key sources of estimation uncertainty (continued)

There are no estimates, assumptions or 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.

d) Trade and other debtors

Debtors 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, using the effective interest rate method. Loss allowances are measured as lifetime ECLs (estimated credit losses). Balances are written off when the probability of recovery is assessed as being remote.

Amounts due from group undertakings are classified as debtors. They have no fixed date of payment and are payable on demand. The amounts due from group undertakings are disclosed at fair value.

e) Trade and other creditors

Trade and other creditors are initially recognised at fair value, and where the time value of money is material, they are discounted to present value and measured at amortised cost using the effective interest method. They represent liabilities to pay for goods or services that have been received or supplied in the normal course of business, but for which payment has not yet been made.

Amounts due to group undertakings are classified as loans and borrowings. They have no fixed date of payment and are payable on demand. The amounts owed to group undertakings are recognised at fair value.

f) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit and loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

2. Significant accounting policies (continued)

f) Financial instruments (continued)

i) Financial assets (continued)

Financial Assets at Amortised Cost

Initial Recognition

A financial asset is measured at amortised cost if it meets both of the following conditions and is not elected to be designated as a FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent Measurement

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred substantially all the risks and rewards relating to the asset to a third party.

ii) Impairment of financial assets

The expected credit loss ('ECL') impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI. The Company measures loss allowances at an amount equal to 12-month ECLs, except for trade receivables and contract assets that result from transactions within the scope of IFRS 15.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

2. Significant accounting policies (continued)

f) Financial instruments (continued)

ii) Impairment of financial assets (continued)

Measurement of ECLs

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Company's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, with a corresponding charge to the income statement.

iii) Financial liabilities

Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition except for derivatives, which are classified at FVTPL, the gains or losses for which are recognised through other comprehensive income if the instrument is designated as a hedging instrument in an effective hedge.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, derivative financial instruments and lease liabilities.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings and other payables are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

g) Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

The Company undertakes a full impairment review of the carrying value of investment in subsidiaries at each reporting date. If such an indication exists, the recoverable amount is estimated and compared to the carrying amount. If the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss is recognised immediately in the income statement.

3. Turnover

The Company has not traded during the period.

4. Profit on ordinary activities before taxation

Fees for the audit of the financial statements of the Company of £24,000 have been borne by Saga Group Limited, a fellow group undertaking, and are not recharged to the Company. 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. Staff costs

The Company has not employed any staff in the period.

6. Directors' remuneration

The remuneration of the Directors of the Company during the period specifically for their role as Directors of the Company was £nil. The Directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking. The Directors do not provide qualifying services to the Company, but do provide qualifying services to its subsidiary company Saga Travel Group (UK) Limited and this has been appropriately disclosed in their accounts.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

7. Investment in subsidiary undertakings

	2023
Cost	£'000
At 13 August 2021	-
Additions	130
At 31 January	<u>130</u>

The entities listed below are subsidiary undertakings of the Company. The registered office address for all entities registered in England is Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE.

Company	Country of registration	Nature of business
Saga Travel Group (UK) Limited (formerly Titan Travel Group (UK) Limited)	England	Tour operating
Titan Transport Limited (formerly Saga Transport Limited)	England	Tour operating
Titan Transport (UK) Limited	England	Tour operating

On 30 November 2021 the Company acquired the Saga Travel Group (UK) Limited (formerly Titan Travel (UK) Limited) and its subsidiary Titan Transport (UK) Limited, for consideration of £30,000, and Titan Transport Limited (formerly Saga Transport Limited) for consideration of £100,000.

8. Debtors	2023
	£'000
Amounts owed by Group undertakings	<u>93,577</u>
	<u>93,577</u>

9. Creditors - amounts falling due within one year	2023
	£'000
Amounts owed to Group undertakings	42,414
Subordinated intercompany loan	<u>51,292</u>
	<u>93,706</u>

The subordinated intercompany loan is repayable on demand, interest free, and takes preference over unsecured debt.

SAGA TRAVEL GROUP LIMITED
(FORMERLY TITAN TRAVEL GROUP LIMITED)
Notes to the financial statements (continued)

10. Called up share capital	2023 £'000
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Allotted, called up and fully paid

1,000 ordinary share of £1 each	<u>1</u>
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During the period, 1,000 shares of nominal value of £1 each were issued at par.

11. 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.

12. Ultimate parent undertaking

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

The financial statements of the Company have been consolidated in the group financial statements of ST&H Group Limited (an intermediate parent undertaking), and Saga plc (the ultimate parent undertaking), all of which are registered in England and Wales.

In respect of the period ended 31 January 2023, ST&H Group Limited 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 2023 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.

13. Ultimate controlling party

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

14. Events after the reporting period

On 28 February 2023 Saga Travel Group (UK) Limited, a subsidiary of the Company, acquired the Saga Tours and Stays trade and assets from ST&H Limited for consideration of £2.6m. This was a strategic move to combine "Titan" and "Saga" touring and holidays, with an aim to drive growth, create lower costs, to be more agile, and a customer-focused business.