Saga plc Annual Report and Accounts **2025**

STRONG POSITION. CLEAR FOCUS. GROWING MOMENTUM.

SAGA

Experience is everything

BUILDING THE MOST-TRUSTED BRAND FOR OLDER PEOPLE IN THE UK

Saga's purpose is to deliver exceptional products and service to meet the needs of older people.

We strive to constantly develop our understanding of our customers, allowing us to provide them with the products they want, alongside the exceptional service they deserve.

Financial highlights

£768.2m
Total Underlying Revenue[1]
2023/24 – £732.7m

£588.3m
Revenue
2023/24 – £564.6m[2]

£47.8m
Total Underlying Profit Before Tax[1]
2023/24 – £38.2m

£37.2m
Underlying Profit Before Tax[1] **from continuing operations**
2023/24 - £34.3m[2]

(£160.2m)
Loss before tax from continuing operations
2023/24 – (£123.8m)

£137.1m
Trading EBITDA[1]
2023/24 – £116.5m

£109.6m
Available Operating Cash Flow[1]
2023/24 – £143.8m

£590.5m
Net Debt[1]
31 January 2024 – £637.2m

4.7x
Leverage Ratio[1]
31 January 2024 – 5.4x

1 **Alternative Performance Measures**
In addition to statutory measures, the Group also measures performance using Alternative Performance Measures. These are reconciled to statutory measures of performance on pages 183-185 of the Alternative Performance Measures Glossary

2 The prior year has been represented to reflect the impact of the transaction with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**), with Insurance Underwriting and all associated accounting adjustments now classified as discontinued operations

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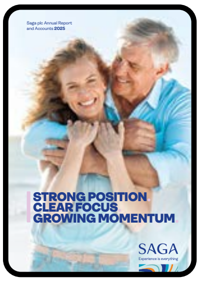
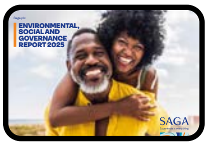




Our 2025 reporting suite

This report, alongside our 2025 Environmental, Social and Governance (**ESG**) Report, can be accessed digitally by scanning the QR code or visiting our website

www.corporate.saga.co.uk/investors/results-reports-presentations

Saga at a glance

DELIVERING GROWTH

Our ambition is to be the most-trusted brand for older people in the UK.

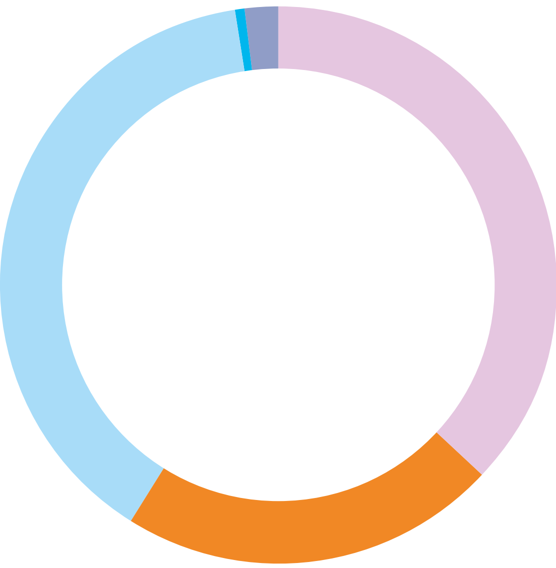
Our strategy

Having spent the past 12 months creating a strong foundation to build on, we are now focussed on driving sustainable long-term growth.

We will achieve our ambition through the delivery of our strategy, which has evolved to reflect the foundations now in place, and is focussed on the following four priorities:

1. **Maximising the growth of our existing businesses**
2. **Driving incremental growth through new business lines and products**
3. **Growing our customer base and deepening those relationships**
4. **Reducing debt, while simplifying our operations**

Contribution to Group Underlying Revenue[1,2]



	Underlying Revenue[1] by business unit	Contribution by business unit
Cruise	£286.1m	37.2%
Holidays[3]	£167.8m	21.8%
Insurance	£294.8m	38.5%
Money	£5.6m	0.7%
Publishing and CustomerKNECT	£13.9m	1.8%

1 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

2 These are our businesses which are focussed on the specific needs and wishes of our unique customer group. In our segmental financial reporting, Cruise and Holidays are presented as one, while Money and Publishing form part of Other Businesses

3 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Cruise

Our Cruise business offers a wide range of luxury experiences on board:

- our two boutique Ocean Cruise ships, Spirit of Discovery and Spirit of Adventure, exploring a host of destinations further afield; and
- our fleet of smaller River Cruise ships, exploring Europe's beautiful waterways.

£48.9m
Ocean Cruise Underlying Profit Before Tax[4]
2023/24 – £35.5m

£4.0m
River Cruise Underlying Profit Before Tax[4]
2023/24 – £3.0m

Find out more in our Group Chief Executive Officer's Review on page 9

Holidays[5]

Our award-winning Holidays[5] business takes customers all over the world, offering:

- hosted holidays to specially selected European hotels, delivering only the highest standards;
- escorted group tours, showcasing not just the sights, but the destination's history, culture and character; and
- independent tours, self-drives and tropical beach holidays personalised to meet the needs of each and every customer.

£10.7m
Underlying Profit Before Tax[4]
2023/24 – £1.5m

Find out more in our Group Chief Executive Officer's Review on page 10

Insurance

Our Insurance business, which is focussed on providing customers with peace of mind, comprises:

- Insurance Broking, offering a range of products primarily focussed on motor, home, travel and private medical insurance; and
- Insurance Underwriting[6], representing our in-house underwriter, Acromas Insurance Company Limited (**AICL**).

£14.4m
Total Insurance Broking Underlying Profit Before Tax[4]
2023/24 – £39.8m

Find out more in our Group Chief Executive Officer's Review on pages 10-11

Money

Our Money business, which has been serving the personal finance needs of people aged over 50 for more than 20 years, offers:

- savings products;
- equity release;
- legal services, including wills, probate and lasting powers of attorney;
- mortgages; and
- investments.

£0.7m
Underlying Profit Before Tax[4]
2023/24 – £1.1m

Find out more in our Group Chief Executive Officer's Review on page 11

Publishing

Our Publishing business delivers insightful and engaging content to readers through our:

- award-winning Saga Magazine, which is available through both monthly subscription and in selected stores across the UK;
- regular digital newsletters; and
- popular Saga Magazine website.

(£0.3m)
Underlying Loss Before Tax[4]
2023/24 – (£0.2m)

Find out more in our Group Chief Executive Officer's Review on page 12

4 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
5 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
6 Following agreement for the sale of AICL to Ageas, Insurance Underwriting, and all associated accounting adjustments, have been classified as discontinued operations

Chairman's Statement

POSITIONING SAGA FOR SUCCESS

"The strategic actions we took, together with the progress we made across our existing businesses, have created a solid platform upon which we can now build sustainable long-term value for our shareholders and provide even more excellent products and service for our customers."

Sir Roger De Haan
Non-Executive Chairman

In summary

- **A strong financial result, reflecting growth in both revenue and Underlying Profit Before Tax[1], alongside continued debt reduction.**
- **Significant strategic progress, having reached agreement with Ageas for a 20-year partnership and the sale of our Insurance Underwriting operations.**
- **Successful refinancing of the corporate debt, which strengthens the Group's financial position.**
- **Changes to Board composition, following the successful Insurance agreement with Ageas, reflecting the Group's new simplified business model.**

This has been an extremely important year for Saga. The strategic actions we took, together with the progress we made across our existing businesses, have created a solid platform upon which we can now build sustainable long-term value for our shareholders and provide even more excellent products and service for our customers.

For the year ended 31 January 2025, Saga has delivered a strong underlying financial performance, growing both revenue and Underlying Profit Before Tax[1], supported in particular, by another strong year in both our Cruise and Holidays[2] businesses. Our Net Debt[1] and Leverage Ratio[1] continued to reduce and remain a key priority for the future. Our strategic review has now been completed and led to a transformative 20-year Insurance partnership agreement with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**), the sale of our Insurance Underwriting business and the successful refinancing of our corporate debt.

Our Travel[2] businesses are all performing well and continuing to grow. Our partnership with Ageas, and the sale of our Insurance Underwriting business, will transform our two main lines of insurance, being motor and home, with that business moving to a significantly lower risk, less complex commercial model, with Ageas as an excellent partner for growth. Our new credit facilities, with a six-year maturity horizon, provide long-term flexible financing to support our growth ambitions.

Our excellent Ocean Cruise business continues to progress with increasing success, delivering outstanding occupancy levels, alongside growing ticket prices, as a result of our unique customer proposition, exceptional customer service and continued strong demand. We have continued to narrow the gap between the experience we deliver on our river cruises with those provided on our ocean cruises. This approach is reflected in our occupancy and ticket prices for River Cruise, which have also continued to grow year on year.

Our Holidays[2] business had an excellent year and, on a comparable basis[3], revenue and passenger numbers increased significantly when compared with the previous year.

1 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
2 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
3 Restated to exclude the revenue and passengers from our discontinued Titan third-party river cruise offering in the prior year

In Insurance, we reached several significant milestones, with the signing of our 20-year Broking agreement with Ageas and the sale of our Insurance Underwriting business. These are transformational changes for our Insurance business. Ageas brings the scale, infrastructure and capabilities of a first-class insurance operator that, when combined with Saga's brand, customer insight and marketing strength, create a powerful combination for success. We will soon no longer take any underwriting or pricing risk in motor and home, and Ageas will take on the administration of around 1.1m of our policies. The customer data and relationships will continue to be retained by Saga and we will maintain responsibility for marketing. This agreement allows us to move away from the highly volatile risk-based Insurance model we have today, to a lower risk, less complex model, which will leverage Saga's and Ageas's combined strengths to better serve our customers and, in doing so, provides the opportunity to return that part of our business to growth.

In Money, awareness of our newer products has grown and there remains significant growth opportunity across our more established savings and equity release products. The number of customers we serve in this area has grown significantly this year and is a clear sign of the value customers attribute to our personal finance offering and our increasing credibility.

Our Publishing business continues to produce engaging and insightful content for the readers of our Saga Magazine. The fast-growing distribution of our popular weekly newsletters continues, with more readers signing up to receive our regular and insightful content than ever before, and our new Saga Magazine website has proven to be incredibly popular, with monthly visitor numbers now in excess of one million.

Peter Bazalgette, Senior Independent Director, and Steve Kingshott, both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model.

I would like to thank them both for all their hard work over the past years and the significant contributions they have each made. Their expertise in their respective fields of media and insurance have proven invaluable as we have reshaped Saga. We wish them well in their future endeavours.

Mike Hazell has made great strides this year and I am excited about the opportunities he has teed up for us. He has taken action to address the challenges in our Insurance business and we are excited about the growth potential our partnership with Ageas brings.

Our Travel[4] businesses are all performing well and our Money business is also very well positioned. I am equally excited about the new opportunities we might now have available to us, as we build even more products designed to meet the evolving needs of our customers. Understanding and meeting those needs has always been at the heart of what we do, and continuing to deliver on that promise remains key to our strategy.

Sir Roger De Haan
Non-Executive Chairman
15 April 2025

Reasons to invest in Saga

Our investment case is designed to create value for shareholders through the delivery of sustainable long-term, capital-light growth, alongside continued debt reduction.

How we are different

Saga focusses on people aged over 50, the fastest-growing, most affluent and influential segment in the UK. Our deep customer insight gives us a unique view into our customers' lives. We exist to deliver exceptional products and service to meet the needs of older people.

26.4m
individuals in the UK aged over 50[5]

The model works

We offer differentiated products, which are underpinned by a trusted brand and exceptional customer service. Our business model is cash-generative, providing the flexibility to balance investment in our brand and businesses with debt reduction and the delivery of long-term returns to shareholders.

£109.6m
Available Operating Cash Flow[6]

Confidence in future delivery

We have a clear and compelling strategy, focussed on returning the business to growth through maximising the growth of our existing businesses; driving incremental growth from new business lines and products; growing our customer base and deepening those relationships; and reducing debt, while simplifying our operations. It is this focus that will cement Saga as the most-trusted brand for older people in the UK.

4 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
5 Office for National Statistics – 2021-based interim population projections for 2024
6 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Executive Officer's Strategic Review

DELIVERING AGAINST OUR GROWTH PLAN

"The past 12 months has been a period of significant progress as we laid the foundations that will underpin our plans for long-term growth."

Mike Hazell
Group Chief Executive Officer

In summary

- **An outstanding year for Travel[1], with continued strong customer demand and growth across all key metrics.**
- **Completion of the Insurance Underwriting sale expected in Q2 2025 and transition to the new partnership arrangement with Ageas on track for Q4 2025.**
- **Repaid our 2026 debt maturities early, following the year end, after the successful refinancing of our corporate debt.**
- **Clear route to deliver an annual Underlying Profit Before Tax[2] of at least £100m in the next five years, while reducing the Leverage Ratio[2] to below 2.0x.**

A strong financial performance, with significant strategic progress

I am very pleased with the progress we have made this year and the positive position our business is now in. Our overall performance was strong, with underlying profitability growing year on year and the strategic actions we have taken position us well for future growth.

We completed our strategic review, which led to the successful agreement of a new 20-year insurance partnership with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**) and the sale of our Insurance Underwriting business, which remains on track to complete in the coming months. This partnership significantly changes the shape of our Insurance business, providing a route to a less volatile, lower risk and less complex business model moving forwards. The combination of these achievements meant that we were able to refinance our corporate debt, replacing our 2026 maturities with new six-year credit facilities that provide significant headroom and flexibility as we move forward.

Growing demand for Travel[1] and Insurance performance in line with guidance

Our Travel[1] businesses had an outstanding year, continuing to drive strong customer demand and delivering growth across all key metrics. Earnings for our Insurance Broking business reduced in the year, driven by lower opening policy volumes and the measures taken to rebalance our competitiveness, as we invested in pricing and marketing to support longer-term growth. After a difficult period, our Insurance Underwriting business also returned to an Underlying Profit Before Tax[2]. Alongside this, our Money business continued to grow the number of customers it serves and deepen its engagement with those customers through its successful newsletters and webinars. Publishing, which continues to play a pivotal role in driving customer engagement, also saw a record number of visits to our Saga Magazine website.

Underlying Revenue[2] and profit growth, alongside continued debt reduction

Saga delivered a significantly improved underlying financial performance for the year ended 31 January 2025, with total Underlying Revenue[2] of £768.2m and total Underlying Profit Before Tax[2] of £47.8m, reflecting growth of 5% and 25% respectively. Following agreement for the sale of Acromas Insurance Company Limited (**AICL**) to Ageas, Insurance Underwriting and all associated accounting adjustments have been classified as discontinued operations. Excluding these items, Underlying Revenue[2] was £588.6m, 3% higher than the prior year, while Underlying Profit Before Tax[2] was £37.2m, reflecting 8% growth.

The Group reported a loss before tax from continuing operations of £160.2m, reflecting the impairment of assets, including the previously reported write-down of Insurance Broking goodwill and those that will no longer deliver economic benefit following the move to the new Insurance partnership, restructuring costs and other exceptional items.

The reduction of Net Debt[2] remains a key strategic focus and we made further progress with this. At 31 January 2025, Net Debt[2] was £590.5m, a £46.7m reduction from the £637.2m reported at 31 January 2024. Available Cash[2], also at 31 January 2025 was £79.3m, compared with the £169.8m at the same time in the prior year. In addition to this, and following the successful refinancing of our corporate debt, the Group has further liquidity available through a £50.0m Revolving Credit Facility (**RCF**) and £100.0m undrawn delayed-draw term loan, both provided by certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries (**HPS Funds**).

1 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
2 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Our strategy

Having spent the past 12 months creating a strong foundation to build on, we are now focussed on driving sustainable long-term growth. Our existing businesses have detailed five-year plans in place that demonstrate strong growth potential and the strategic actions taken allow us to now pursue growth opportunities beyond these plans, building new revenue streams for the long term.

With this in mind, our priorities have evolved to introduce a fourth strategic pillar, focussed on driving incremental value from new business lines and products.

Our ambition is to be the most-trusted brand for older people in the UK and we will achieve this through the delivery of our strategy, which is focussed on the following four priorities:

1. **Maximising the growth of our existing businesses**
2. **Driving incremental growth through new business lines and products**
3. **Growing our customer base and deepening those relationships**
4. **Reducing debt, while simplifying our operations**

An update on our progress during the year in each of these areas is set out below.

1 Maximising the growth of our existing businesses

Cruise

For the 12 months ended 31 January 2025, our Ocean Cruise business delivered exceptional growth in Underlying Profit Before Tax[3], which was £48.9m, 38% higher than the £35.5m in the prior year.

We continued to generate strong customer demand, achieving record levels of occupancy with the current two Ocean Cruise ships. This translated into a 91% load factor and £357 per diem, which were 3ppts and 8% higher when compared with the 88% and £331 in the previous year. After accounting for the cost of operating the ships, Trading EBITDA[3] was £89.2m, representing growth of 19%.

Our customer transactional net promoter score (**tNPS**) for Ocean Cruise increased to 82, from 80 in the prior year, reflecting improvements to the shore excursions included within the ticket price and our pre-departure administration processes. Alongside this feedback from our customers, we were delighted to have been awarded 'Best Luxury Cruise Line' at the British Travel Awards and the number one rated cruise line by Which?, achieving recommended provider status for the fifth year in a row.

For 2025/26, we are continuing to expand our included VIP chauffeur service, from the current 300-mile range to nationwide, ensuring that all our customers, irrespective of where they live, benefit from hassle-free comfort and exceptional service from the very start of their Ocean Cruise holiday.

This, alongside other continual enhancements to our offering, continues to support our strong forward bookings position and, at 6 April 2025, the booked load factor for the first half was 94% and the per diem was £392, 5ppts and 7% ahead of the 89% and £365 at the same point in the prior year. For the full year, and at the same date, the load factor was 78%, 2ppts ahead of the prior year and the per diem was £396, 8% ahead.

Our River Cruise business continues to go from strength to strength, having delivered an Underlying Profit Before Tax[3] of £4.0m, a 33% increase on the £3.0m reported in the prior year. Revenue also grew 13%, from £43.8m to £49.4m, supported by a load factor of 89% and a per diem of £326 reflecting a 4ppt and 14% increase when compared with the 85% and £285 achieved in the prior year.

Similar to the trend observed in Ocean Cruise, our River Cruise tNPS also increased in the year, from 59 to 60, reflecting growth in the scores relating to the journey from a customer's home to the ship and the online booking experience, following significant improvements to documentation.

At 6 April 2025, the River Cruise booked load factor and per diem for the first half of 2025/26, for our current fleet of ships, were 89% and £362, 5ppts and 6% ahead of the 84% and £341 at the same time in the prior year. We are scaling the River Cruise business and are delighted that Spirit of the Moselle joins the fleet in July 2025. Boasting four passenger decks and a capacity of 172 guests, our newest ship will deliver the same luxury and exceptional experience as her sister ships, Spirit of the Rhine and Spirit of the Danube. Including bookings on this new ship and mirroring the approach to revenue management used in Ocean Cruise, which optimises load factors on a month-by-month basis by prioritising the earlier months first, the load factor for the year ending 31 January 2026, at the same date, was 67%, 4ppts behind the prior year, with the per diem of £361, 6% ahead.

£48.9m
Ocean Cruise Underlying Profit Before Tax[3]
2023/24 – £35.5m

£4.0m
River Cruise Underlying Profit Before Tax[3]
2023/24 – £3.0m

"Saga is a company we can trust and we feel valued. The cruise was even better than our expectations and we wouldn't hesitate to cruise again with Saga, hopefully in the near future."

Anonymous
Customer survey, Q2 2024

Group Chief Executive Officer's Strategic Review continued

Our strategy continued

1 Maximising the growth of our existing businesses continued

Holidays[4]

Our Holidays[4] business had an excellent year, generating revenue of £167.8m, compared with £156.3m in the prior year, representing growth of 7%, or 19% on a comparable basis[5]. On the same basis[5], the number of passengers who travelled with us was 54.8k, 9% higher, with the average revenue per passenger also 9% higher. This led to a significant step change in Underlying Profit Before Tax[6], which grew from £1.5m in the prior year, to £10.7m.

Our commitment to providing exceptional holidays for our customers continues to be recognised industry-wide, having recently received 32 awards at the 2024 British Travel Awards, including gold in the 'Best Tour Operator' category. This, alongside continual enhancements to the range of products we offer, contributed to our strong pipeline of future bookings. At 6 April 2025, 50.7k passengers had booked with us for 2025/26, which was 14% ahead of the same time last year, generating revenue of £157.6m, which was also 14% ahead.

Supporting the strong forward bookings position is our growing tNPS, which increased to 45, from 34 in the prior year. The improvement reflects growth across our escorted group tours and hosted holidays, arising from the enhancements made to pre-departure administration for customers, alongside positive trends in hotel quality scores, following action taken to set clearer customer expectations during the booking process.

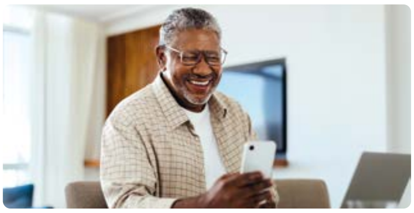
Building on the growth in Holidays[4] over the past couple of years, we made the decision to consolidate the leadership across Cruise and Holidays[4], with the Holidays[4] business now being led by our Chief Executive Officer (**CEO**) of Cruise, now the CEO of Travel[4]. This move will more closely align the customer experience between the two businesses, deliver operational synergies and better position both businesses for further growth.

£10.7m
Holidays[4] Underlying Profit Before Tax[6]
2023/24 – £1.5m

54.8k
Holidays[4] passengers
2023/24 – 50.3k[5]

Insurance

For the year ended 31 January 2025, Insurance Broking reported a total Underlying Profit Before Tax[6] of £14.4m, materially lower than the £39.8m in the prior year, but in line with our guidance. Following the agreement to sell our Insurance Underwriting operations to Ageas, AICL and all associated accounting adjustments, including the Insurance Broking written to earned adjustment, have been classified as discontinued operations. Excluding these, Underlying Profit Before Tax[6] from continuing operations was £14.5m, compared with £34.5m in the prior year.

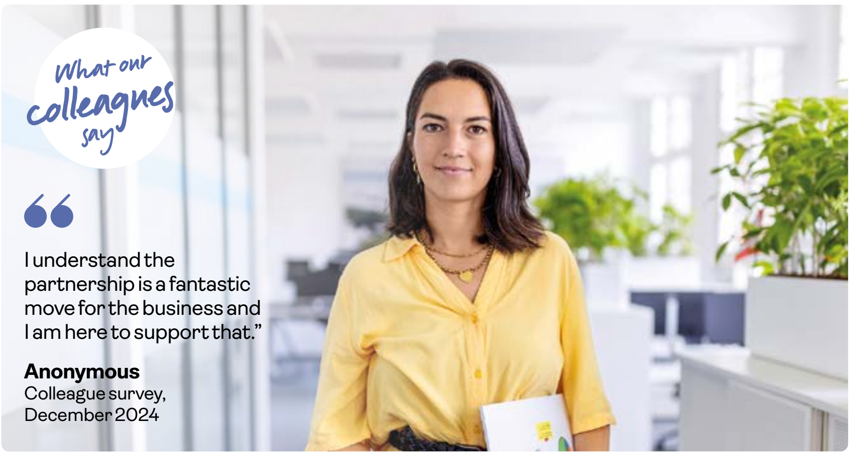


Coming into the year, our policies in force were 9% lower than in the prior year. We took early action to improve our competitive position and rebalance the business for a return to policy growth in future years, however, the lower volume of policies available to renew, and the wider market pressures, adversely impacted in-year policy sales. As a result, the number of policies sold across all products, was 1.4m, 14% lower than the 1.6m in the prior year. The number of policies in force at the year end was, therefore, also lower, falling by 15%.

The above dynamics for motor and home meant that the margin per policy reduced to £51, compared with £55 in the preceding year. Customer retention was 77% across these lines, 4ppts lower than the 81% reported in the previous year.

For motor insurance, while our pricing actions showed early encouraging results, market-wide price reductions outpaced those from our panel of underwriters, dampening our competitive position. This, and fewer policies coming into the year, meant that policy sales were 13% lower than in the prior year. Motor margins increased, as higher margins from reducing net rates on our three-year fixed-price products more than offset the impact of our pricing action on standard one-year policies.

4 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
5 Restated to exclude the revenue and passengers from our discontinued Titan third-party river cruise offering in the prior year
6 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation



What our colleagues say

> I understand the partnership is a fantastic move for the business and I am here to support that."

Anonymous
Colleague survey,
December 2024

In home, policy sales were 17% behind the prior year, again reflecting fewer available renewals and reduced competitiveness following the necessary price increases to mitigate the effect of continued net rate inflation. Alongside this, home margins reduced, reflecting pressure on our three-year fixed-price products in the current high inflation environment.

The contribution from our other broking products was lower than in the prior year, reflecting the increasingly competitive travel insurance market, with increased marketing activity and higher levels of discounting observed among our competitors, and market wide net rate inflation on private medical insurance.

The tNPS for Insurance Broking for the full year was 57, broadly consistent with the 58 in the prior year, with significant improvement observed in the fourth quarter, which scored 61, following our pricing action and the introduction of our additional contact centre in South Africa.

£14.4m
Total Insurance Broking Underlying Profit Before Tax[7]
2023/24 – £39.8m

£10.7m
Insurance Underwriting Underlying Profit/(Loss) Before Tax[7]
2023/24 – (£1.4m)

In Insurance Underwriting, which is classified as a discontinued operation following the agreement with Ageas for its sale, the pricing action taken to mitigate the impact of recent claims inflation continued to flow through and benefit the financial result. Subsequently, we reported an Underlying Profit Before Tax[7] of £10.7m, which compares with an Underlying Loss Before Tax[7] of £1.4m in the prior year. Within this, the net current year combined operating ratio improved to 100.7%, representing a 16.4ppt reduction when compared with the 117.1% in the prior year.

Consistent with our ambition to return the Insurance business to growth, on 16 December 2024, we announced that we had reached an agreement with Ageas for a 20-year partnership for motor and home insurance, alongside the sale of AICL, our Insurance Underwriting business. The new partnership is designed to deliver best-in-class insurance services to our customers, driving growth in our motor and home business through differentiated products, first-rate customer service and value for money.

The sale of AICL remains subject to regulatory approval, however, as previously stated, we expect this to complete in the second quarter of 2025. Furthermore, the preparation work required ahead of the transition to the partnership model is progressing well and on track for the new arrangement to go live in the fourth quarter of 2025. Once fully transitioned, this partnership, and the sale of AICL, will mean that we no longer face the underwriting risk that we have previously been exposed to and will operate a significantly less complex model, supported by Ageas in those areas, as our motor and home insurance partner.

Money

For the year ended 31 January 2025, Money reported an Underlying Profit Before Tax[7] of £0.7m, slightly lower than the £1.1m reported in the prior year, reflecting investment in our newer products, combined with an inability to grow our savings book, following the government delay in approving an increase to the ring-fence limit applicable to investment banks in the UK, with such legislation finally being passed in February 2025.

We are continuing to build awareness of our newer products, with our digital newsletter reaching more than 700k customers every week and increased demand for our insightful webinars, which promote financial wellbeing.

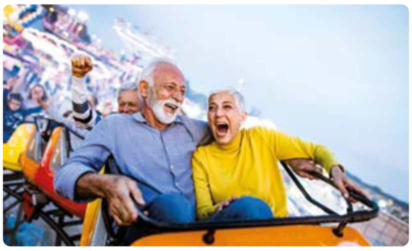
£0.7m
Money Underlying Profit Before Tax[7]
2023/24 – £1.1m

7 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Executive Officer's Strategic Review continued

Our strategy continued

2 Driving incremental growth through new business lines and products



Saga's success over the past 74 years was built on continually assessing the needs of our customers and developing and evolving products to meet those needs. While we have detailed growth plans in place for each of our existing businesses and product lines, the strategic actions taken over the past year now give us the opportunity to build on these plans and explore incremental growth, through new products and business lines not currently provided by Saga.

The work to deliver these opportunities begins now and updates will, therefore, come as and when we are further progressed with these activities. Our approach will be disciplined and leverage partnership opportunities, in line with our strategy.

3 Growing our customer base and deepening those relationships

Increasing the number of customers we serve and the quality of our interactions with them remains a key strategic priority for the Group. Our extensive customer database continues to be one of our most valuable assets, providing us with an unrivalled wealth of information on people aged over 50 in the UK, and allowing us to develop and refine our products to meet our customers' changing needs. At 31 January 2025, our database consisted of 9.4m individuals and, following action taken to drive more meaningful engagement, we are now able to contact 7.8m of them.

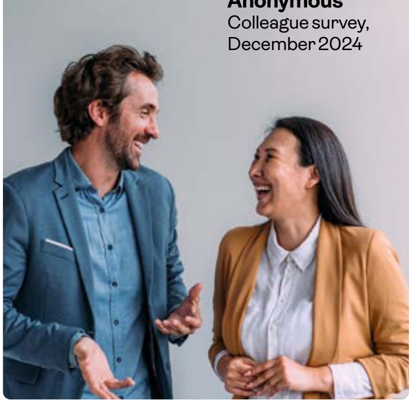
Our Publishing business continues to be key to growing our customer base and deepening our customer relationships, through the provision of engaging and insightful content across a variety of channels. Our award-winning magazine is now being trialled in selected high street stores, with good early progress. Building on the success of the magazine, we continue to generate high levels of traffic to the website, which represents a significant opportunity as we look to maximise digital engagement and insight in an increasingly digitally savvy customer market. Following its launch in May 2024, the website now regularly sees over 1.0m visits per month and continues to grow.

Alongside the magazine, our popular newsletters are key to driving customer engagement to support our insight. We now send 10.7m newsletters a month to our engaged audience, covering a range of topics, including travel, personal finance and lifestyle, with industry-leading open rates of 46%, an increase when compared with the prior year.

What our colleagues say

"I believe that the changes implemented always have the best interests of the business at heart."

Anonymous
Colleague survey, December 2024



More ways for our audience to read our insightful and engaging content

Alongside our popular printed Saga Magazine, which has been in publication for more than 40 years, we are now bringing the same insightful and engaging content to our audience in even more ways. We have seen great customer engagement with the Saga Magazine website since re-launching it in May 2024. Site traffic has grown quickly and we now have over 1.0m monthly visits. In addition, our twice-weekly newsletter has industry-leading open rates, which regularly exceed 50%. We work hard to bring our customers the stories that matter to them across a range of topics – from health, to homes, travel, money and more – and look forward to adding even more content to the site during 2025.

Saga Magazine website visits

7.4m
2023/24 – 3.4m

4 Reducing debt, while simplifying our operations

During the year, we made significant progress with our ambition to reduce our debt. At 31 January 2025, Net Debt[8] was £590.5m, £46.7m lower than 31 January 2024 and included within this was £79.3m of Available Cash[8]. As a result of our reduced Net Debt[8] position, alongside growth in Trading EBITDA[8], the Leverage Ratio[8] also reduced to 4.7x, from 5.4x at the same time last year.

In January 2025, we announced that we had successfully refinanced the Group's corporate debt in full, having reached agreement with HPS Funds for a series of new long-term credit facilities. These comprise a £335.0m term loan facility, a £100.0m delayed-draw term facility, which can be used to fund Ocean Cruise ship debt repayments or growth investment, and a new £50.0m RCF. The debt attached to the Ocean Cruise ships remains unchanged.

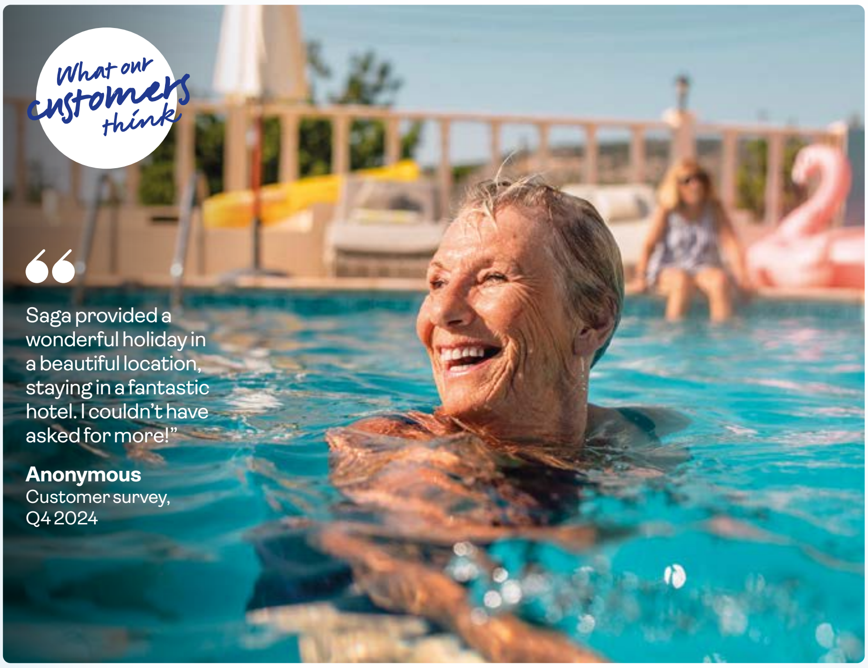
Following the year end, the new £335.0m term loan was drawn and used to repay the £250.0m bond, maturing in July 2026, alongside the £75.0m drawings under the loan facility provided by Roger De Haan. Not only does the new capital structure significantly enhance the Group's liquidity position, but it also increases the covenant headroom, providing flexible funding certainty for the next six years as we execute our growth plans.

The strategic action taken over the past year and, in particular, the agreed transaction with Ageas, provides a pathway to remove some of the historic risks and complexity within the Group. Alongside this, we believe there is further opportunity to simplify our legacy operations and create a more agile and entrepreneurial approach moving forward, seeking partnerships to support us in this journey, where it makes sense to do so.

Net Debt[8]

£590.5m

2023/24 – £637.2m



What our customers think

"Saga provided a wonderful holiday in a beautiful location, staying in a fantastic hotel. I couldn't have asked for more!"

Anonymous
Customer survey, Q4 2024

Strengthening our exceptional culture

We recognise that our ability to provide customers with exceptional products and service is only possible with the support of our colleagues. As such, we believe it is important to continually listen to their feedback and views and respond appropriately to ensure that we create the best possible culture, where colleagues can be their authentic selves.

We were proud to be recognised as the sixth best employer in the UK by the Financial Times, following a survey of around 20,000 employees, who were asked about working conditions, reward and potential for development. Our own internal colleague surveys supported this, showing that engagement increased from 6.6 in January 2024, to 7.9 out of 10 in December 2024, reflecting a growing sense of advocacy among our colleagues, underpinned by greater leadership visibility and responses to colleague feedback.

Significant growth potential

The past 12 months has been a period of significant progress as we laid the foundations that will underpin our plans for long-term growth. We have a group of established businesses, with detailed growth plans in place for each of them and a new partnership with Ageas that significantly reduces the risk, complexity and earnings volatility in our Insurance business. Our partnership strategy will continue to support and amplify this growth, leveraging partner capabilities and infrastructure, where this complements our existing plans, and unlocking new opportunities for products that meet customer needs.

Looking ahead, there is no shortage of growth potential, with our current plans providing a clear route to deliver a material step change in financial performance within the next five years. Over that timeframe, we believe there is a path to deliver at least £100.0m of annual Underlying Profit Before Tax[8], while reducing the Leverage Ratio[8] to below 2.0x.

Of course, none of this would be possible without our excellent colleagues, who work hard every day to give our customers the best possible experience, our loyal customers and, of course, our investors and partners, who continue to support us.

Mike Hazell
Group Chief Executive Officer
15 April 2025

Watch our Group CEO, Mike Hazell, presenting our full year results

8 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Our strategy

OUR GROWTH PLAN

Now that we have strong foundations in place, we are focussed on driving sustainable long-term growth.

As such, we have evolved our growth plan to introduce a fourth strategic priority, focussed on driving incremental value from new business lines and products.

Our ambition is to be the most-trusted brand for older people in the UK and we will achieve this through the delivery of our strategy, which is focussed on the following four priorities.

1 Maximising the growth of our existing businesses

Objective
Deliver differentiated products that drive greater scale and profitability in our existing businesses.

2 Driving incremental growth through new business lines and products

Objective
Create new products and business lines that deliver incremental scale and growth, seeking partnership opportunities to amplify our core strengths.

3 Growing our customer base and deepening those relationships

Objective
Use our insight to engage customers, drive our business and develop broader customer engagement across our product ranges.

4 Reducing debt, while simplifying our operations

Objective
Focus on reducing debt, while leveraging internal synergies and partnership opportunities to simplify our business.

"Saga does a good job of clearly communicating the goals and strategies set by senior leadership, ensuring that colleagues are aligned with the organisation's direction."

Anonymous
Colleague survey, December 2024

OUR LONG-TERM INSURANCE BROKING PARTNERSHIP WITH AGEAS

In line with our ambition to return the Insurance business to growth, in December 2024, we announced that we had reached an agreement with wholly owned UK subsidiaries of Ageas for a 20-year partnership for motor and home insurance, alongside the sale of AICL.

The partnership will combine the strength of the Saga brand, our marketing skills and customer base with Ageas's extensive and growing UK insurance operations. Designed to deliver best-in-class insurance services to our customers, the new partnership will drive growth in our motor and home insurance business through differentiated products, while providing first-rate customer service and value for money.

Under the new arrangement, Ageas will be responsible for price-comparison website distribution, pricing and underwriting, claims and customer servicing activities, with Saga retaining responsibility for brand and direct marketing. Our existing partnerships for travel and private medical insurance will remain in place.

Strategic rationale

- Consistent with our aim to move towards a more capital-light business model
- Provides a stable, low-risk income stream
- Reduces complexity
- Supports growth
- Crystallises value
- Reduces debt
- Enhances long-term value for our shareholders

April 2024
Confirmed that we were exploring opportunities for a strategic partnership in Insurance

ageas.

October 2024
Announced exclusive negotiations with Ageas to establish a 20-year partnership for motor and home insurance, alongside the sale of AICL

December 2024
Reached agreement with Ageas for a 20-year partnership for motor and home insurance, alongside the sale of AICL

£65.0m[1]

Q2 2025
Base consideration receivable on completion of the AICL sale[2] with a further £2.5m payable once the partnership commences. The sale will not impact our customers

£80.0m

Q4 2025 – Q1 2026
Partnership expected to commence in Q4 2025, generating £80.0m consideration in Q1 2026, subject to the satisfaction of certain conditions

Up to £30.0m

March 2026
Contingent consideration of up to £30.0m payable, subject to certain policy volume and profitability targets being met

Q1 2027
All policies will have been migrated to Ageas's platform

January 2028
First financial year end reflecting the new operating model

Up to £30.0m

March 2032
Contingent consideration of up to £30.0m payable, subject to certain policy volume and profitability targets being met

1 Approximately £22.0m of the £65.0m base consideration will be used for deductions relating to properties transferred to the Group, AICL's Section 75 debt and transaction costs, leaving around £43.0m of net proceeds

2 The sale of AICL is subject to regulatory approval

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Key performance indicators

POSITIVE MOMENTUM

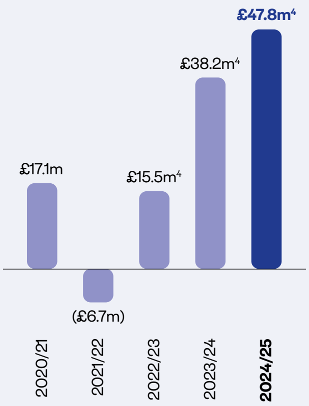
During the financial year, the following key performance indicators (**KPIs**) were used to assess the financial and operational performance of the Group against our strategic growth plan.

Key
1 Maximising the growth of our existing businesses[1]
2 Driving incremental growth through new business lines and products[1]
3 Growing our customer base and deepening those relationships[1]
4 Reducing debt, while simplifying our operations[1]
£ 2024/25 Bonus KPIs[2]

Financial KPIs

Total Underlying Profit/(Loss) Before Tax[3]

£47.8m



Purpose and definition 1 £

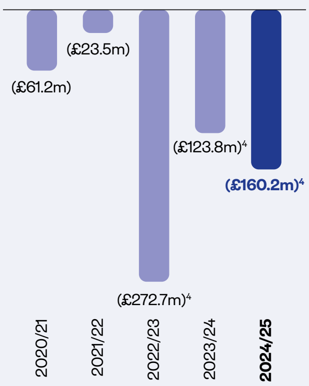
Total Underlying Profit/(Loss) Before Tax[3] is the Group's primary KPI and a meaningful representation of underlying trading performance. It is defined as loss before tax, excluding items which are not expected to recur. Refer to page 183 for full definition and explanation.

Performance

Increase of £9.6m when compared with 2023/24, reflecting continued Cruise and Holidays[5] momentum and strengthening of Insurance Underwriting. This was, however, partially offset by a lower Insurance Broking result, reflecting continued difficult conditions.

Loss before tax from continuing operations

(£160.2m)



Purpose and definition 1

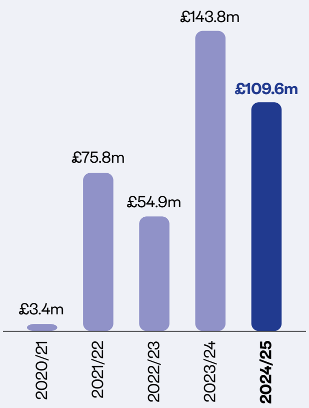
Loss before tax from continuing operations as presented in accordance with UK-adopted international accounting standards.

Performance

Loss before tax from continuing operations of £160.2m, £36.4m higher when compared with the prior year, reflecting higher asset impairments, including the write-down of Insurance Broking goodwill and those that will no longer drive economic benefit under the new Insurance partnership, restructuring costs and other exceptional items.

Available Operating Cash Flow[3]

£109.6m



Purpose and definition 1 4

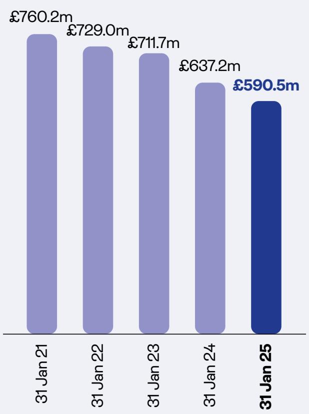
Available Operating Cash Flow[3] represents net cash flow from operating activities, which is not subject to regulatory restriction, after capital expenditure but before tax, interest paid, restructuring costs and other non-trading items. Refer to page 185 for full definition and explanation.

Performance

Lower Available Operating Cash Flow[3], reflecting the smaller contribution from Insurance Broking and reduced dividends from Insurance Underwriting, alongside the one-off prior year benefit from River Cruise and Holidays[5] moving to an escrow arrangement.

Net Debt[3]

£590.5m



Purpose and definition 4 £

Net Debt[3] represents the sum of the carrying value of the Group's debt facilities, less the amount of Available Cash[3] it holds. Refer to page 185 for full definition and explanation.

Performance

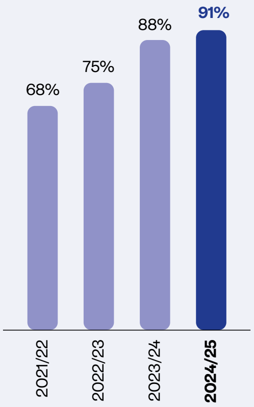
Net Debt[3] reduced £46.7m when compared with 31 January 2024, reflecting continued repayments across the Ocean Cruise ship facilities but lower Available Cash[3] following repayment of the 2024 bond, which was only partially funded by drawdown on the facility provided by Roger De Haan. Refer to page 36 of the Group Chief Financial Officer's Review for full details.

1 Since the year end, the strategic pillars evolved, reflecting the strategic progress made over the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships
2 Only the 2024/25 bonus KPIs reported at a Group level are included. Full details of the KPIs used to determine executive remuneration can be found on pages 83-84
3 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
4 Underlying Profit/(Loss) Before Tax from continuing operations from 2022/23 is reported under International Financial Reporting Standard (**IFRS**) 17 and is, therefore, not directly comparable with the prior years, which were reported under IFRS 4
5 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Non-financial KPIs

Ocean Cruise load factor[6]

91%



Purpose and definition 1 3

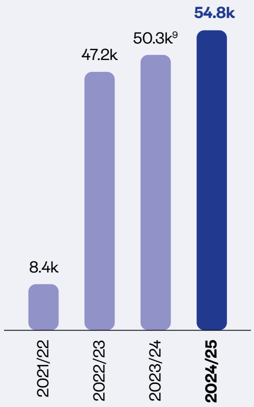
Load factor is the most sensitive driver of Cruise profit before tax and represents the booked proportion of the total capacity across our ships. It is calculated by dividing the number of berths booked by the total berths available.

Performance

The Ocean Cruise load factor increased 3ppts, to 91%, reflecting continued strong customer demand for our unique offering.

Holidays[7] passengers[8]

54.8k



Purpose and definition 1 3

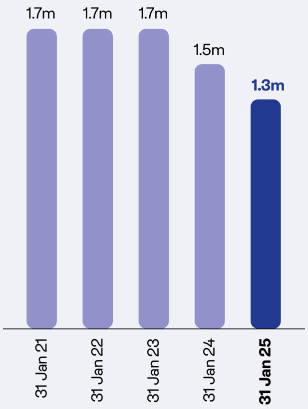
Holidays[7] passengers represents the number of customers that travelled on either a Saga or Titan holiday during a given year.

Performance

In 2024/25, the number of passengers who travelled with us increased 9% when compared with the prior year, reflecting continued growth across our escorted group tours and hosted holidays products.

Insurance policies in force

1.3m



Purpose and definition 1 3

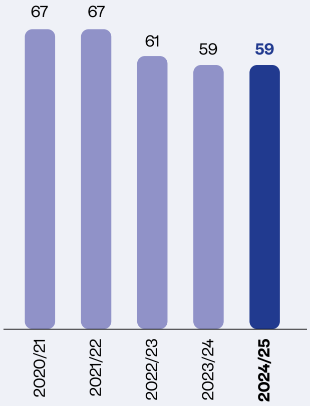
Insurance policies in force refers to the number of core insurance policies, across all products, in force at any given financial year end.

Performance

At 31 January 2025, policies in force was 0.2m lower than at the same point in the prior year, reflecting a reduction across motor, home and other insurance broking, due to fewer policies for renewal coming into to the year, alongside continued challenging conditions.

Customer transactional net promoter score (tNPS)

59



Purpose and definition 1 3 £

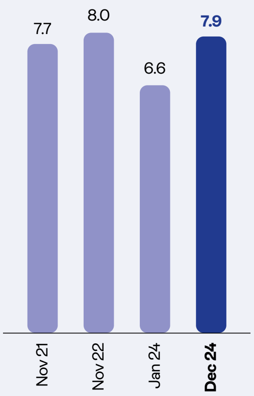
Customer tNPS represents the willingness of customers to recommend Saga products and services to family, friends and colleagues following a recent transaction. The score is calculated by analysing customer survey responses, then subtracting the percentage of detractors (those scoring six or less) from the percentage of advocates (those scoring nine or more).

Performance

Customer tNPS was 59, flat when compared with the prior year, reflecting higher scores across Cruise and Holidays[7], but lower scores in Insurance and Money arising from the impact of inflation on customer pricing.

Colleague engagement[10]

7.9 out of 10



Purpose and definition 1 £

Colleague engagement provides an indication of how committed and enthusiastic colleagues are towards Saga and their work. It is measured through responses to colleague surveys hosted by an independent third party.

Performance

The latest score reflects a growing sense of advocacy and commitment across Saga colleagues, underpinned by improvements in leadership visibility and listening and responding to colleague feedback.

Customer consent capture[11,12]

37%

Purpose and definition 3 £

Customer consent capture represents the percentage of customers asked who have consented to receive marketing emails from Saga, allowing us to email them about our full range of products and services across all our business units. Consent is requested during customer interactions with our individual businesses, either on the telephone or online.

Performance

To grow our customer base and deepen the relationships with our customers, we changed our approach to capturing marketing consent during 2024/25. Previously, we could only market products by specific business areas, however, we now ask for broader Group consent, allowing us to promote a wider range of products from across the Group to a larger number of customers.

6 No comparative data prior to 2021/22 has been provided, as operations were suspended for much of 2020/21, with the offering prior to that not comparable with our current proposition
7 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'
8 As River Cruise was historically reported within Holidays, no comparable data is available prior to 2021/22
9 Restated to exclude the passengers from our discontinued Titan third-party river cruise offering in the prior year
10 During 2020/21, Saga appointed a new third-party survey provider. As such, the data prior to this is not comparable
11 The tracking of customer consent capture began in 2024/25 and, as such, no comparable data is available prior to this
12 The KPIs presented have been updated to align with those used to determine executive remuneration and the most sensitive drivers of profit in our significant businesses. As a result, 'customer consent attempts' has been removed and replaced with 'customer consent capture'

Market review

OPPORTUNITY FOR GROWTH

Saga operates in highly attractive markets, serving the fastest-growing demographic, with significant opportunity for growth.

There were an estimated

26.4m

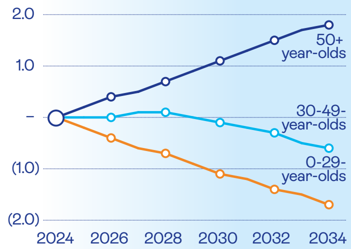
individuals in the UK aged over 50 during 2024[1]

...and this age group is expected to grow faster than any other over the next 10 years[1]

1.8m

additional 50+ year-olds by 2034[1]

Predicted population growth by age group (m)



Our customers

Saga provides people aged over 50 with a range of products and services, tailored specifically to meet their needs, accompanied by exceptional experiences. This unique group is the fastest-growing and most affluent[2] segment of the UK population.

We understand that the ageing process changes peoples' views, needs and priorities, and it is for this reason that we strive to continually adapt to these changes.

Through our unique insight, extensive database and growing capabilities, we provide our customers with compelling and relevant products and services that offer value, support and peace of mind.

Our businesses[3]

We continue to face a high level of competition in the commoditised markets we operate in, however, we use our unique understanding to offer our customers exceptional experiences.

Cruise

We provide our customers with truly all-inclusive cruises, on board our luxury ships.

Marketplace and position

While we have a significant number of competitors in both Ocean and River Cruise, we are the only operator to cater exclusively for people aged over 50, designing itineraries and experiences for this under-served group.

Key competitors

Fred. Olsen, Cunard, P&O Cruises, Riviera and Viking

Holidays[4]

We offer hosted holidays, escorted group tours and bespoke independent tours, underpinned by our unique insight into our customers, which allows us to continually expand the range of destinations on offer.

Marketplace and position

In a highly competitive and commoditised market, we are one of the market-leading tour operators for people aged over 50 in the UK.

Key competitors

On the Beach, TUI, Trailfinders and Newmarket Holidays

Insurance

We provide customers with reassurance and peace of mind through a series of motor, home, travel and private medical insurance products.

Marketplace and position

The insurance market, while cyclical in nature, continues to be extremely competitive, demonstrated by continuing consolidation of some of our peers. We continue to be well-placed, being the sole provider of insurance exclusively for people aged over 50, further strengthened by the agreement of a strategic partnership with Ageas, which provides an opportunity for growth.

Key competitors

Admiral, Hastings, LV, NFU Mutual, Direct Line and Aviva

Money

We offer customers support through alternative financial solutions in the form of savings products, equity release, legal services, investments and mortgages.

Marketplace and position

We are the only provider of financial products and services designed exclusively for people aged over 50 in the UK.

Key competitors

Post Office and John Lewis Money

Publishing

We deliver engaging content to our unique audience, creating regular and insightful interactions with this group.

Marketplace and position

Saga Magazine is one of the UK's most loved and respected monthly lifestyle publications, generating regular coverage in the print and digital press.

Key competitors

Good Housekeeping and The Oldie

1 Office for National Statistics – 2021-based interim population projections
2 Office for National Statistics – Wealth and assets survey
3 These are our businesses, which are focussed on the specific needs and wishes of our unique customer group. In our segmental financial reporting, Cruise and Holidays are presented as one, while Money and Publishing form part of Other Businesses
4 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Regulatory and legislative developments

Background

The Ocean Cruise business is regulated by the International Maritime Organization and the Maritime and Coastguard Agency, and is a member of the Cruise Lines International Association, the UK Chamber of Shipping and the Association of British Travel Agents (**ABTA**). The River Cruise and Holidays[5] businesses are regulated by the Civil Aviation Authority and are a member of ABTA as well as Accredited Agents of the International Air Transport Association. Our Insurance Broking and Money businesses are regulated by the Financial Conduct Authority (**FCA**), with the Insurance Broking business also regulated by the Jersey Financial Services Commission (**JFSC**). The discontinued Insurance Underwriting business is regulated by the Gibraltar Financial Services Commission and JFSC and has a passporting branch in the UK under the Solvency II Directive.

Saga also operates processes and procedures to comply with other regulations and legislation that apply to its business including, but not limited to, the UK General Data Protection Regulation 2021, the Data Protection Act 2018, the Equality Act 2010, financial crime legislation and health and safety legislation.

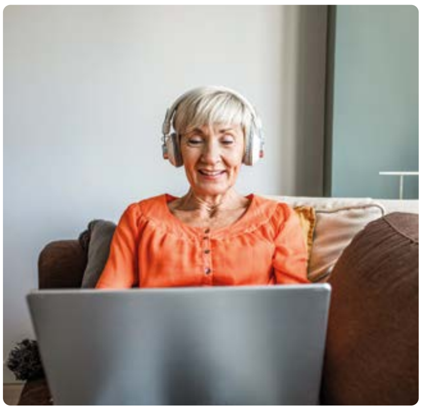
Developments during the year

For the Cruise business, FuelEU Maritime came into force in January 2025. This regulation encourages the adoption of low or zero carbon fuels, with penalties if reductions cannot be made. This has been accounted for within our financial plan and forecasts, along with the use of biofuels.

The Consumer Duty sets high standards of consumer protection across financial services. In July 2024, Saga's Insurance Broking and Money businesses produced their first annual Consumer Duty board report which sets out the results of their monitoring of customer outcomes, along with actions taken to further improve those outcomes.

The boards of those businesses were satisfied that the obligations of the Consumer Duty were met and approved the reports on that basis. The first half of 2024 also saw Saga prepare for the Consumer Duty go-live date for closed books (products that are no longer sold, but still held by existing customers), which came into force on 31 July 2024 and was fully embedded, alongside the open products and services.

In March 2025, the FCA's rules on operational resilience came into effect. Their purpose is to prevent business disruptions from causing harm to customers, firms and the wider markets. Saga's Insurance Broking and Underwriting businesses met the key deadlines over the past two years, such as mapping their important business services, determining impact tolerances, completing their self-assessment and embedding operational resilience plans.



Macroeconomic conditions

Geopolitics

The escalating tensions in the Middle East, and the ongoing conflict between Russia and Ukraine, elevated geopolitical risks and heightened national security threats to countries in those regions. Although the impact on wholesale energy prices has stabilised, there remains a risk of further intensification and wider economic spillovers, with greater uncertainty in financial markets. The possibility of greater trade fragmentation and increased restrictions from the Trump Presidency could also lead to a large-scale trade war, which would drive up inflation and lead to the global economy shrinking. The key sectors that would affect Saga would be oil, transportation services, food and metals, all impacting our costs. These global factors will continue to be monitored for their potential financial and operational impacts to travel plans.

Labour market

The increase in National Insurance Contributions represents an increase to labour costs, which will be fully absorbed by the business.

While many firms are increasing their presence in offices, Saga continues to offer flexible working arrangements.

Technological changes

Technological changes have altered Saga's digital risk exposure, ranging from cyber threats to data leaks. However, this rapid evolution and emergence of artificial intelligence systems offers opportunities to innovate and adapt to a digital world. As technology continues to evolve, Saga must stay updated on the latest trends, ensuring that we have the skills needed to harness our technological potential, without falling behind our competitors.

5 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Purpose and business model

THE FOUNDATION FOR GROWTH

Our purpose is to deliver exceptional products and service to meet the needs of older people. We are a marketing, content and distribution business with unique customer insights that help us build deep and long-lasting relationships.

Our strengths

Our colleagues and culture

Our people are what makes us special and we are committed to building a culture that creates a true sense of belonging, enabling our colleagues to feel empowered and inspired to do their best work.

Our brand

The Saga brand is exceptionally well recognised among people aged over 50 in the UK and is often a key point of differentiation in the highly competitive markets we operate in. Our commitment to excellent service provides peace of mind and reassurance for our customers, building trust and creating loyalty, which in turn encourages them to return time after time.

Our customers and insight

Our customers are the reason Saga exists and we aim to provide them with truly exceptional experiences at each and every interaction with us. Supported by our unique insights, we continually strive to develop high-quality products and services specifically tailored for this fast-growing, under-served and ever-changing group.

Supplier partnerships

We aim to develop deep, mutually beneficial, long-term relationships with our partners and suppliers, allowing us to leverage their specialist expertise, resources and capital. These partnerships are integral in providing the best possible products and services to our customers.

Proprietary data and technology

The size of our customer database, and the depth of information we hold, is one of the Group's core assets. The continual expansion and enhancement of this data enables us to increase the frequency and quality of the communication with our customers, providing an opportunity to not only attract new customers, but also promote a greater range of products and services to our existing customers.

Our businesses[1]

Each of our businesses operate autonomously, while leveraging our core strengths across the Group to build deeper, long-lasting relationships with our customers.

Cruise

What we do

We provide our customers with ocean and river cruises to a wide range of destinations on board our fleet of boutique, luxury ships.

How we add value

- We offer customers a truly all-inclusive cruising experience, including fine dining and drinks, gratuities, a chauffeur service, private balconies with all cabins and selected shore excursions.
- Customers sail with additional peace of mind through our included travel insurance, price promise guarantee and 'Love it first time' guarantee for newcomers.

91%
Ocean Cruise load factor
2023/24 – 88%

89%
River Cruise load factor
2023/24 – 85%

Holidays[2]

What we do

We offer our customers a variety of award-winning and handcrafted experiences, including hosted holidays, escorted group tours and bespoke independent tours.

How we add value

- We offer customers ease and reassurance through home-to-airport pick-up across our touring range, local hosts at our hotels and flexible dining for our bespoke getaways.
- Further peace of mind is provided through a ring-fenced arrangement, which safeguards customer money until they return from their holiday.

54.8k
Customers travelled
2023/24 – 50.3k[3]

1 These are our businesses which are focussed on the specific needs and wishes of our unique customer group. In our segmental financial reporting, Cruise and Holidays are presented as one, while Money and Publishing form part of Other Businesses

2 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

3 Restated to exclude the passengers from our discontinued Titan third-party river cruise offering in the prior year

Insurance

What we do

We provide our customers with tailored insurance products, principally motor, home, private medical and travel insurance.

How we add value

- We offer products to suit a variety of needs, from our lower-cost standard one-year motor and home policies through to our premium three-year fixed-price products.
- Alongside our in-house underwriter, AICL, we use a third-party panel of underwriters to ensure that customers receive the best possible price.

1.3m
Insurance policies in force
31 January 2024 – 1.5m

Money

What we do

We partner with specialist third parties to deliver a range of personal finance products, including savings accounts, equity release, legal services, mortgages and investments.

How we add value

- We offer customers easy-to-use products and services tailored to them, with the added security and support of the Saga brand, providing confidence and trust.
- We use our expertise in sourcing and managing partners to provide customers with unique offers and exceptional experiences.

158k
Money customers
2023/24 – 144k

Publishing

What we do

We offer insightful interactions with our audience through the award-winning Saga Magazine, and new website, alongside regular updates in the form of our increasingly popular digital newsletters.

How we add value

- We combine the experience of our magazine columnists and design team with high-profile guest exclusives to deliver purposeful and insightful content which informs, inspires and entertains our readers.
- Our digital newsletters provide high-quality and accessible articles across a range of topics.

7.4m
Saga Magazine website visits
2023/24 – 3.4m

Creating value

Saga is committed to maximising value for our key stakeholders.

Customers

Delivering for our customers is at the heart of everything we do. We aim to deliver exceptional products and service for this unique group every day, while building trust and providing reassurance.

Colleagues

To enable colleagues to do the best work of their lives, we are focussed on their development and wellbeing, creating a culture of belonging and recognition.

Partners and suppliers

Through our partnerships, suppliers benefit from access to our well-known and trusted brand, alongside knowledge and insight into our unique customer group.

Communities

Saga strives to have a positive impact on our communities through clear and transparent communication, colleague volunteering schemes and charitable giving.

Shareholders and investors

Saga is committed to creating long-term value for our shareholders and investors by maximising our businesses, delivering sustainable growth and reducing our debt.

Find out more about engaging with stakeholders on pages 22-23

Engaging with stakeholders

DEEPENING OUR CONNECTIONS

Customers

Our customers are at the heart of our business. Our success relies on the engagement of new customers and deepening the connection with our existing customers.

What matters to them

- Value-for-money products and services that are designed specifically for their needs.
- Exceptional customer service at every interaction with Saga.
- Clear and informative communication in a format that suits them.

How we engage

We aim to increase the frequency of engagement with our customers and become part of their everyday lives. We engage with our customers through telephone and email interaction, social media, the Saga Magazine, webinars and our Experienced Voices customer panel. Customer satisfaction is monitored at each interaction through our tNPS.

Board oversight

The Board receives regular reports from the Group Chief Executive Officer (**CEO**), Operating Board and management, based on insights and feedback.

Colleagues

Our colleagues, and the culture we create, are incredibly important to us at Saga. Our values, which act as guiderails on how we do things, ensure that colleagues remain focal to everything we do.

What matters to them

- A clear strategy, including a link to how colleagues can support its delivery.
- An inclusive and welcoming environment, where colleagues can bring their full selves to work.
- A culture which promotes wellbeing and supports colleagues with finding the right balance.
- Open and transparent communication, enabling colleagues to speak up and share their feedback.
- Fair and transparent reward and benefits.

How we engage

We communicate with colleagues in a collaborative way and through a range of forms. These include our internal communications platform, Workplace, regular engagement surveys, colleague roadshows, Group CEO sessions, regular one-to-one meetings with managers, collaborative team events, and through the People Committee.

Find out more in our 2025 ESG Report

Board oversight

Julie Hopes, one of our Non-Executive Directors, is our nominated People Champion and attends our People Committee meetings regularly, alongside our Group CEO and members of our Operating Board. The Board are also kept informed through updates from our Chief People Officer.

Find out more about our colleague stories

Partners and suppliers

To deliver exceptional products and service for our customers, we depend on the support of our partners and suppliers. We continue to prioritise the development of long-term, mutually beneficial relationships with this group.

What matters to them

- Long-term reliable relationships that support their strategic ambitions.
- Regular and informative updates, including two-way feedback.
- Innovation that encourages simplicity and efficiency, where possible.

How we engage

Our relationships with our supply chain, which are managed and controlled by our individual business units, are governed by our Supplier Relationship Management and Supplier Risk Management policies, which provide a framework for our operations. This approach ensures consistent communication with suppliers, allowing us to continually develop our ways of working.

Board oversight

The Risk Committee is kept informed of any changes to supplier risk management through our Operating Board and Internal Audit and Assurance Director, with matters escalated to the Board as appropriate.

Communities

To fulfil our purpose, and best serve the needs of older people, it is important that we understand and carefully consider the impact of each decision we make on the communities in which we operate.

What matters to them

- Clear and open communication, ensuring that they are aware of our strategy and plans, as well as any potential impact to them.
- The opportunity to share what is important to them and how we may be able to support that.
- A chance to share knowledge and skills between our colleagues and the wider community.

How we engage

We hold community meetings to provide updates on developments that may impact them. Meanwhile, our colleagues are encouraged to take one paid volunteering day per year, allowing them to support a cause of their choice.

Board oversight

Our Group CEO attends each community meeting, allowing him to feedback directly to the Board.

114
days of colleague volunteering time given

Find out more in our 2025 ESG Report

Shareholders and investors

We are focussed on delivery against our strategic plan to deliver long-term sustainable value for our shareholders and investors. We aim to treat all shareholders fairly, providing them with opportunities to express their views.

What matters to them

- Creation of long-term value.
- Active engagement with the Group CEO, Group Chief Financial Officer (**CFO**) and Investor Relations (**IR**) team.
- Regular updates on the Group's financial performance and progress against our strategy.

How we engage

We communicate with our shareholders and investors through results announcements, press releases, updates to our corporate and shareholder websites, group events, one-on-one meetings and ad hoc email and telephone interaction.

139k
direct and corporate sponsored nominee shareholders

Board oversight

At each Board meeting, the agenda includes review of an IR report, providing an update on shareholder interaction and feedback received. Our Group CEO and Group CFO meet with investors regularly, assisted by our Director of IR and Treasury. Alongside this, our Non-Executive Chairman is available on request and the Chair of our Remuneration Committee meets with shareholders throughout the year, providing the Board with any feedback. In-person events, such as the Annual General Meeting and results presentations, also provide an opportunity for the Board to meet with shareholders and investors.

Regulators

Our regulators set the framework within which we operate, and it is therefore vital that we maintain strong relationships with them.

What matters to them

- Proactive and transparent communication.
- Protection of our customers and the industries we operate in.
- Increasing the trust of the public and encouraging market competition.

How we engage

Relationships with our regulators are maintained at subsidiary level and monitored by the respective audit, risk and compliance committees.

Board oversight

Subsidiary boards and their committees report as necessary to the Risk Committee, which is responsible for escalating any matters of strategic or reputational importance directly to the Board. The Chairs of our financial services regulated businesses, Saga Personal Finance Limited (**SPF**), Saga Services Limited (**SSL**) and AICL are also Directors and report on our relationships with regulators.

Find out more in our Risk Committee Report on pages 75-76

The Board considers the impact on all stakeholders when making decisions.

Find out more in Board activities on pages 62-65

Group Chief Financial Officer's Review

A CLEAR ROUTE TO GROWTH AND DELEVERAGING

"Within the next five years, we believe that there is a route to deliver at least £100.0m of annual Underlying Profit Before Tax[1], while reducing the Leverage Ratio[1] to below 2.0x."

Mark Watkins
Group Chief Financial Officer

In summary

- **A strong set of underlying financial results, reflecting growth in total Underlying Profit Before Tax[1].**
- **Significant progress with debt reduction, with Net Debt[1] now £46.7m lower than a year ago.**
- **Successful refinancing of our corporate debt facilities, alongside the move to our new capital structure, which provides greater flexibility and enhanced liquidity.**
- **Ambition to deliver at least £100.0m of Underlying Profit Before Tax[1] within the next five years, while reducing the Leverage Ratio[1] to below 2.0x.**

I am pleased to report that, for the 12 months ended 31 January 2025, the Group delivered a strong set of underlying financial results. Total Underlying Profit Before Tax[1] was £47.8m, 25% higher than the year before, reflecting continued momentum in our Travel businesses and improvements in the performance of Insurance Underwriting, but the continuation of challenging conditions in Insurance Broking remained.

Following agreement of the transaction with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**), which includes the sale of Acromas Insurance Company Limited (**AICL**) and the move to a 20-year partnership for motor and home insurance, our Insurance Underwriting operations, alongside all associated accounting adjustments, have been classified as discontinued operations. As a result, the Underlying Profit Before Tax[1] from our continuing operations was £37.2m, £2.9m higher than in the prior year.

After accounting for the impairment of assets, including the previously reported Insurance Broking goodwill write-down and other smaller one-off exceptional items, the Group reported a loss before tax from continuing operations of £160.2m.

Our Travel businesses had an outstanding year, with each delivering a step change in earnings. In Ocean Cruise, growing customer demand saw us report record load factors since acquiring our current two ships, alongside growing per diems, resulting in a 38% increase in Underlying Profit Before Tax[1], to £48.9m. Our River Cruise business reported a similar growth in Underlying Profit Before Tax[1], of 33%, to £4.0m, also reflecting growing demand, following actions taken to more closely align the customer experiences to those in Ocean Cruise. Our Holidays business saw growing customer numbers, on a like-for-like basis, which resulted in growth in Underlying Profit Before Tax[1] of £9.2m, from £1.5m in 2023/24, to £10.7m in 2024/25.

While our Insurance Underwriting business saw a significant improvement in the financial result and returned to an Underlying Profit Before Tax[1], following pricing action taken during the recent inflationary environment, conditions in Insurance Broking remained challenging, as expected. As a result, the business reported a total earned Underlying Profit Before Tax[1] of £14.4m, compared with £39.8m in the prior year. While the contribution from motor insurance increased, arising from higher margins on our three-year fixed-price products, the contribution from home and other broking reduced, reflecting net rate pressures and increased competition in the travel and private medical insurance (**PMI**) markets.

Looking at the statement of financial position, we made significant progress in reducing the level of Net Debt[1]. At 31 January 2025, this was £590.5m, which was £46.7m lower than at 31 January 2024 and, in combination with the increase in Adjusted Trading EBITDA[1], meant that the Leverage Ratio[1] reduced from 5.4x, to 4.7x.

The Group continues to remain highly cash-generative, with Available Operating Cash Flow[1] of £109.6m, despite the material reduction in the cash contribution from the Insurance Broking business. As a result, the Group held £79.3m of Available Cash[1] at the year end, in addition to further available liquidity through the £50.0m undrawn Revolving Credit Facility (**RCF**) and the £10.0m undrawn portion of the loan facility provided by Roger De Haan.

We also reached a significant milestone ahead of the year end, having successfully refinanced our corporate debt. Through the new facilities, provided by certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries (**HPS Funds**), we secured funding certainty for the next six years, with no corporate debt maturities falling due until January 2031. This, alongside the enhanced flexibility and incremental liquidity that the facilities provide, places us in a strong position as we deliver the next phase of our growth plans.

On 27 February 2025, the new £335.0m term loan provided by HPS Funds was drawn, with the funds used to repay the £250.0m unsecured corporate bond that was set to mature in July 2026, and the £75.0m drawn portion of the loan facility provided by Roger De Haan maturing in April 2026, with the facility then cancelled. The existing £50.0m RCF, which was to mature in March 2026, was also replaced with a facility of the same value, provided by HPS Funds.

Looking ahead, the building momentum in our Travel businesses, combined with the strategic action taken over the last 12 months, positions the business for long-term success. While 2025/26 will be a transitional year, with Underlying Profit Before Tax[1] expected to be lower than in 2024/25 as we prepare for the move to the new Insurance arrangement and embed the new capital structure, there is a clear opportunity for material growth thereafter. Within the next five years, we believe that there is a route to deliver at least £100.0m of annual Underlying Profit Before Tax[1], while reducing the Leverage Ratio[1] to below 2.0x.

1 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Operating performance

Group income statement

£m	12m to Jan 2025 Continuing operations	Discontinued operations	Total	*Change*	12m to Jan 2024 Continuing operations	Discontinued operations	Total
Underlying Revenue[2]	**588.6**	**179.6**	**768.2**	***4.8%***	**572.4**	**160.3**	**732.7**
Underlying Profit/(Loss) Before Tax[2]							
Travel	63.6	–	63.6	*59.0%*	40.0	–	40.0
Insurance Broking (earned)	14.5	(0.1)	14.4	*(63.8%)*	34.5	5.3	39.8
Insurance Underwriting	–	10.7	10.7	*>500.0%*	–	(1.4)	(1.4)
Total Insurance	14.5	10.6	25.1	*(34.6%)*	34.5	3.9	38.4
Other Businesses and Central Costs	(14.2)	–	(14.2)	*16.5%*	(17.0)	–	(17.0)
Net finance costs[3]	(26.7)	–	(26.7)	*(15.1%)*	(23.2)	–	(23.2)
Underlying Profit Before Tax[2]	**37.2**	**10.6**	**47.8**	***25.1%***	**34.3**	**3.9**	**38.2**
Impairment of Insurance Broking goodwill	(138.3)	–	(138.3)		(104.9)	–	(104.9)
Other exceptional items	(59.1)	8.5	(50.6)		(53.2)	(9.1)	(62.3)
(Loss)/profit before tax	**(160.2)**	**19.1**	**(141.1)**	***(9.4%)***	**(123.8)**	**(5.2)**	**(129.0)**
Tax (expense)/credit	(18.5)	(5.3)	(23.8)	*(248.8%)*	15.8	0.2	16.0
(Loss)/profit after tax	**(178.7)**	**13.8**	**(164.9)**	***(45.9%)***	**(108.0)**	**(5.0)**	**(113.0)**
Earnings/(loss) per share							
Underlying Earnings Per Share[2]	18.1p	5.1p	23.2p	*(22.7%)*	26.9p	3.1p	30.0p
(Loss)/earnings per share	(127.2p)	9.8p	(117.4p)	*(45.9%)*	(77.2p)	(3.6p)	(80.8p)

The Group's business model is based on providing high-quality and differentiated products to its target demographic, predominantly focussed on travel and insurance. The Travel businesses comprise Ocean Cruise, River Cruise and Holidays. The Insurance business operates mainly as a broker, sourcing underwriting capacity from selected third-party insurance companies, and, for motor and home, also from the Group's in-house underwriter. Other Businesses include Money, Publishing and CustomerKNECT, a mailing and printing business.

Underlying Revenue[2]

Underlying Revenue[2] increased 4.8% to £768.2m (2024: £732.7m), mainly due to increased load factors and per diems across our Cruise businesses, alongside a 13.2% increase in average revenue per passenger in our Holidays business.

Underlying Profit/(Loss) Before Tax[2]

The Group generated a total Underlying Profit Before Tax[2] of £47.8m in the current year, compared with £38.2m in the prior year. This is primarily due to a:

- £23.6m increase in Travel, moving to an Underlying Profit Before Tax[2] of £63.6m (2024: £40.0m), with £13.4m driven by Ocean Cruise;
- return to an Underlying Profit Before Tax[2] in Insurance Underwriting of £10.7m (2024: Underlying Loss Before Tax[2] of £1.4m); and
- £2.8m improvement in Other Businesses and Central Costs following the cost-reduction programme actioned in the second half of the prior year.

These were partially offset by a £25.4m reduction in Insurance Broking profitability due to difficult trading conditions, particularly within home.

Net finance costs[3] in the year were £26.7m (2024: £23.2m), which excludes finance costs within the Ocean Cruise business of £18.4m (2024: £18.2m) and Insurance Underwriting business of £8.8m (2024: £2.5m).

2 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
3 Net finance costs exclude Ocean Cruise and Insurance Underwriting finance costs and Travel net fair value losses on derivatives

Group Chief Financial Officer's Review continued

Loss before tax

The total loss before tax for the year, of £141.1m, includes a £138.3m impairment to Insurance Broking goodwill and other exceptional items of £50.6m, consisting of:

- impairments to assets, other than goodwill, of £30.8m including software assets that will no longer drive economic benefit to the Group following the transition to the Insurance Broking partnership with Ageas;
- restructuring costs of £32.2m, including a provision for the expected costs of restructuring of the Group's Insurance Broking business operations, ahead of the Ageas partnership becoming operational;
- costs and amortisation of fees relating to the loan facility provided by Roger De Haan of £3.6m;
- fair value losses of £0.3m on derivatives;
- a negative International Financial Reporting Standard (**IFRS**) 16 'Leases' adjustment of £0.5m on River Cruise ships;
- £1.7m additional Ocean Cruise dry dock costs and customer compensation relating to Spirit of Adventure;
- profit share due to AXA on cessation of the PMI contract of £2.6m;
- foreign exchange gains on River Cruise ship leases of £0.6m;
- onerous contract provisions net positive of £14.8m on three-year fixed-price products and on insurance contracts under IFRS 17 'Insurance Contracts';
- fair value gains on debt securities of £5.1m; and
- a £0.6m positive change in discount rate on non-periodical payment order (**PPO**) insurance liabilities.

"We have now experienced six Saga holidays in the last three years and have enjoyed great value for money every time."

Anonymous
Customer survey, Q4 2024

£47.8m
Total Underlying Profit Before Tax[4]
2023/24 – £38.2m

(£160.2m)
Loss before tax from continuing operations
2023/24 – (£123.8m)

The total loss before tax in the prior year, of £129.0m, includes a £104.9m impairment to Insurance goodwill and other exceptional items of £62.3m, comprising:

- restructuring costs of £40.3m, arising from the cost reduction programme initiated in the second half and the decisions to exit some of our smaller, loss-making activities and rationalise our property portfolio;
- impairments to assets, other than goodwill, of £11.9m (net of amounts recoverable under quota share arrangements);
- £12.1m onerous contract provisions on three-year fixed-price products and insurance contracts under IFRS 17;
- fair value gains on debt securities of £3.5m;
- a £1.0m positive change in discount rate on non-PPO insurance liabilities;
- discretionary customer ticket refunds and related costs within Ocean Cruise of £1.0m;
- costs and amortisation of fees relating to the loan facility provided by Roger De Haan of £0.4m;
- £0.3m costs on the acquisition and disposal of The Big Window Consulting Limited (the **Big Window**);
- fair value losses of £1.4m on derivatives; and
- foreign exchange gains on River Cruise ship leases of £0.6m.

Tax

The Group's tax expense for the year was £23.8m (2024: £16.0m credit), representing a negative tax effective rate of 850.0% (2024: positive 66.4%), excluding the Insurance Broking goodwill impairment charge. In both the current and prior years, the difference between the Group's tax effective rate and the standard rate of corporation tax was mainly due to the Group's Ocean Cruise business being in the tonnage tax regime. In addition, in the current year it is also due to all temporary differences at 31 January 2025 not being considered recoverable and, therefore, no deferred tax assets were recognised for these temporary differences. This is the result of the change in mix of profitability within the Group, where the majority of the Group's profits now come from the Ocean Cruise business, whereas the Insurance Broking business has been in decline.

In the prior year, there was also an adjustment for the over-provision of prior year tax of £4.5m. Excluding the impact of the Ocean Cruise business being in the tonnage tax regime, the Insurance goodwill impairment, the adjustments to prior year tax and the non-recognition of net deferred tax assets, the tax effective rate for the current year is 21.4% (2024: 19.9%).

Earnings/(loss) per share

The Group's Underlying Basic Earnings Per Share[4] was 23.2p (2024: 30.0p). The Group's reported basic loss per share was 117.4p (2024: loss of 80.8p).

4 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Travel

Our Travel business comprises our Ocean Cruise, River Cruise and Holidays operations.

	12m to Jan 2025					12m to Jan 2024			
£m	Ocean Cruise	River Cruise	Holidays	Total Travel	*Change*	Ocean Cruise	River Cruise	Holidays	Total Travel
Underlying Revenue[5]	**236.7**	**49.4**	**167.8**	**453.9**	***9.1%***	**215.9**	**43.8**	**156.3**	**416.0**
Gross profit	**97.7**	**15.1**	**41.7**	**154.5**	***26.2%***	**81.1**	**11.3**	**30.0**	**122.4**
Marketing expenses	(13.8)	(5.7)	(10.9)	(30.4)	*(15.6%)*	(12.3)	(4.4)	(9.6)	(26.3)
Other operating expenses	(16.6)	(5.8)	(21.2)	(43.6)	*(12.7%)*	(15.1)	(4.0)	(19.6)	(38.7)
Investment return	–	0.4	1.1	1.5	*87.5%*	–	0.1	0.7	0.8
Finance costs	(18.4)	–	–	(18.4)	*(1.1%)*	(18.2)	–	–	(18.2)
Underlying Profit Before Tax[5]	**48.9**	**4.0**	**10.7**	**63.6**	***59.0%***	**35.5**	**3.0**	**1.5**	**40.0**
Average revenue per passenger (£)	5,543	2,923	3,062	3,968	*14.9%*	4,683	2,639	2,704	3,452
Ocean Cruise load factor	91%			91%	*3ppts*	88%			88%
Ocean Cruise per diem (£)	357			357	*7.9%*	331			331
River Cruise load factor		89%		89%	*4ppts*		85%		85%
River Cruise per diem (£)		326		326	*14.4%*		285		285
Passengers ('000)	42.7	16.9	54.8	114.4	*(5.1%)*	46.1	16.6	57.8	120.5

Ocean Cruise

The Ocean Cruise business owns two Ocean Cruise ships, Spirit of Discovery and Spirit of Adventure.

The business achieved a load factor of 91% (2024: 88%) and a per diem of £357 (2024: £331). These two factors, when combined, equated to Underlying Revenue[5] growth of 9.6% and resulted in a 37.7% increase in profitability, from an Underlying Profit Before Tax[5] of £35.5m in the prior year, to £48.9m in the current year.

River Cruise

The River Cruise business has 10-year charters in place for two boutique purpose-built River Cruise ships, Spirit of the Rhine and Spirit of the Danube, alongside two other shorter-term charters.

The business achieved a load factor of 89% (2024: 85%) and a per diem of £326 (2024: £285). This resulted in Underlying Revenue[5] growth of 12.8% and a 33.3% increase in profitability, to an Underlying Profit Before Tax[5] of £4.0m (2024: £3.0m).

Holidays

The Holidays business, which includes both the Saga Holidays and Titan brands, generated higher revenue per passenger in the current year, increasing by 13.2% from £2,704 to £3,062, but saw slightly reduced volumes when compared with the prior year, with passenger numbers decreasing from 57.8k to 54.8k.

This led to Underlying Revenue[5] growth of 7.4% and an increase in profitability, from an Underlying Profit Before Tax[5] of £1.5m in the prior year, to £10.7m in the current year.

On a comparable basis and, therefore, excluding the discontinued Titan third-party river cruise product, which is included in the prior year numbers, revenue grew 19.1% on a passenger base that grew 8.9%.

Forward Travel sales

The Ocean Cruise load factor for 2025/26 is 2ppts ahead of the same point last year for 2024/25, with an improved load factor in the first half, but reduced load factors in the second half, reflecting our strategic focus to optimise revenue across the full year. The per diem for 2025/26 is 7.6% higher than the same point last year, reflecting strong customer demand.

Ocean Cruise bookings for 2026/27 are also ahead of the prior year, with the load factor 4ppts ahead and the per diem 13.7% ahead.

The River Cruise load factor for 2025/26 is marginally behind the same point last year, by 4ppts, reflecting a higher load factor in the first half of the year, but a lower load factor in the second, arising from the mirroring of the revenue management approach used in Ocean Cruise, which optimises load factors on a month-by-month basis, prioritising the earlier months first. The per diem for the full year is 6.5% ahead, reflecting increased customer demand.

Looking ahead to 2026/27, the River Cruise booked load factor is marginally ahead of the prior year position, with the per diem 8.0% ahead.

Holidays bookings for 2025/26 are ahead of the same point last year by 13.6% and 13.9% for revenue and passengers respectively. The increased revenue is due to higher passenger numbers, reflecting increased uptake across our short- and long-haul touring ranges, alongside an uptick in stays.

Holidays bookings for 2026/27 reflect a revenue position that is 40.1% ahead of the same point in the prior year, with passengers 54.3% ahead.

5 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Financial Officer's Review continued

Travel continued

	Current year departures			Next year departures		
	6 April 2025	*Change*	7 April 2024	**6 April 2025**	*Change*	7 April 2024
Ocean Cruise revenue (£m)	217.6	*9.8%*	198.1	76.8	*38.6%*	55.4
Ocean Cruise load factor	78%	*2ppts*	76%	26%	*4ppts*	22%
Ocean Cruise per diem (£)	396	*7.6%*	368	407	*13.7%*	358
River Cruise revenue (£m)	40.8	*(0.5%)*	41.0	2.0	*17.6%*	1.7
River Cruise load factor	67%	*(4ppts)*	71%	3%	*1ppt*	2%
River Cruise per diem (£)	361	*6.5%*	339	380	*8.0%*	352
Holidays revenue (£m)	157.6	*13.6%*	138.7	22.7	*40.1%*	16.2
Holidays passengers ('000)	50.7	*13.9%*	44.5	5.4	*54.3%*	3.5

£48.9m
Ocean Cruise Underlying Profit Before Tax[6]
2023/24 – £35.5m

£4.0m
River Cruise Underlying Profit Before Tax[6]
2023/24 – £3.0m

"We trust Saga as a company and we love sailing with them. Being picked up from home and taken back again is a big bonus and the staff are so caring, helpful and professional."

Anonymous
Customer survey, Q2 2024

£10.7m
Holidays Underlying Profit Before Tax[6]
2023/24 – £1.5m

6 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Insurance

Insurance encompasses our motor, home and other broking operations and our in-house Insurance Underwriting business.

Insurance Broking

The Insurance Broking business provides tailored insurance products, principally motor, home, PMI and travel insurance. Its role is to price the policies and source the lowest risk price, whether through the panel of motor and home underwriters or through solus arrangements for PMI and travel insurance. The Group's in-house insurer, AICL, sits on the motor and home panels and competes for that business with other panel members on equal terms.

AICL offers its underwriting capacity on the home panel through a coinsurance deal with a third party, so the Group takes no underwriting risk for that product. Even if underwritten by a third party, the product is presented as a Saga product and the Group manages the customer relationship.

	12m to Jan 2025					12m to Jan 2024			
£m	**Motor broking**	**Home broking**	**Other broking**	**Total**	***Change***	Motor broking	Home broking	Other broking	Total
Gross Written Premiums[7]									
Brokered	134.2	155.1	123.7	413.0	*1.3%*	114.1	162.4	131.0	407.5
Underwritten	160.0	–	1.8	161.8	*(18.5%)*	195.5	–	3.0	198.5
Gross Written Premiums	294.2	155.1	125.5	574.8	*(5.1%)*	309.6	162.4	134.0	606.0
Broker revenue	13.1	6.2	39.9	59.2	*(21.1%)*	4.5	25.4	45.1	75.0
Instalment revenue	3.3	3.5	–	6.8	*1.5%*	3.4	3.3	–	6.7
Add-on revenue	7.2	7.7	0.1	15.0	*(14.8%)*	8.1	9.5	–	17.6
Other revenue	25.2	15.7	(4.4)	36.5	*(11.2%)*	27.1	17.3	(3.3)	41.1
Written Underlying Revenue[7]	**48.8**	**33.1**	**35.6**	**117.5**	***(16.3%)***	**43.1**	**55.5**	**41.8**	**140.4**
Written gross profit	**42.1**	**33.1**	**42.8**	**118.0**	***(16.4%)***	**35.9**	**55.5**	**49.7**	**141.1**
Marketing expenses	(9.1)	(6.0)	(5.8)	(20.9)	*2.3%*	(9.6)	(6.2)	(5.6)	(21.4)
Written Gross Profit After Marketing Expenses[7]	**33.0**	**27.1**	**37.0**	**97.1**	***(18.9%)***	**26.3**	**49.3**	**44.1**	**119.7**
Other operating expenses	(31.9)	(25.0)	(26.1)	(83.0)	*2.7%*	(36.6)	(29.6)	(19.1)	(85.3)
Written Underlying Profit/(Loss) Before Tax[7]	**1.1**	**2.1**	**10.9**	**14.1**	***(59.0%)***	**(10.3)**	**19.7**	**25.0**	**34.4**
Written to earned adjustment	0.3	–	–	0.3	*(94.4%)*	5.4	–	–	5.4
Earned Underlying Profit/(Loss) Before Tax[7]	**1.4**	**2.1**	**10.9**	**14.4**	***(63.8%)***	**(4.9)**	**19.7**	**25.0**	**39.8**
Policies in force	602k	506k	166k	1,274k	*(15.0%)*	700k	605k	194k	1,499k
Policies sold	655k	528k	168k	1,351k	*(14.2%)*	750k	633k	192k	1,575k
Third-party panel share[8]	40.7%				*7.1ppts*	33.6%			
Reconciliation to continuing operations:									
Earned Underlying Profit/(Loss) Before Tax[7]	1.4	2.1	10.9	14.4	*(63.8%)*	(4.9)	19.7	25.0	39.8
Written Underlying Profit Before Tax[7] from discontinued operations	0.1	–	0.3	0.4	*300.0%*	0.1	–	–	0.1
Written to earned adjustment	(0.3)	–	–	(0.3)	*94.4%*	(5.4)	–	–	(5.4)
Underlying Profit/(Loss) Before Tax[7] from continuing operations	**1.2**	**2.1**	**11.2**	**14.5**	***(58.0%)***	**(10.2)**	**19.7**	**25.0**	**34.5**

7 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
8 Third-party underwriter's share of the motor panel for policies

Group Chief Financial Officer's Review continued

Insurance continued

Insurance Broking written Underlying Profit Before Tax[9], which excludes the impact of the written to earned adjustment deferring the revenue on policies underwritten over the term of the policy, reduced to £14.1m, from £34.4m in the prior year. Underlying Profit Before Tax[9] from continuing operations reduced to £14.5m from £34.5m. The written to earned adjustment will no longer be required when the Underwriting business is disposed of.

A key metric for the Insurance Broking business is Written Gross Profit After Marketing Expenses[9], before deducting overheads. This reduced from £119.7m in the prior year, to £97.1m in the current year, mainly due to lower renewal volumes and margins on home, lower renewal margins on PMI and lower new business volumes and margins on travel. This was partially offset by an improvement in motor margins as net rate inflation slowed. Written Gross Profits After Marketing Expenses[9] fell by £22.2m in home and £7.1m in other broking, partially offset by an increase in motor of £6.7m.

For motor and home insurance, in terms of the total Written Gross Profit After Marketing Expenses[9], the new business proportion reduced by £4.4m and the renewal proportion by £11.1m.

The reduction in profitability of the home business is attributable to significant inflationary pressure in the net rates charged by panel underwriters, which have increased at a faster pace than the price that can be charged to consumers in a competitive marketplace. This was accentuated by the fact that a significant number of home policies are on three-year fixed-price deals, which fix the customer price for two renewals. Lower new business volumes in the prior year also led to a 14% reduction in the level of renewal volumes in the current year.

The three-year fixed-price product remains significant, with 411k policies sold in the year, compared with 582k policies in the prior year. This represented 35% of total motor and home policies (2024: 42%), with 29% of direct new business customers taking the product (2024: 28%). These policies remain highly attractive to our customer base and, while current profitability has been impacted by high industry inflation, this is a short-term challenge, as all policies will be repriced over the next few years.

The challenging home environment was partially offset by an improvement to the motor environment which led to the average gross margin per policy for motor and home combined, calculated as Written Gross Profit After Marketing Expenses[9] divided by the number of policies sold, reducing to £50.8 in the current year, compared with £54.7 in the prior year.

In addition, customer retention reduced from 81% to 77%, overall motor and home policies in force decreased 15% when compared with 31 January 2024, and direct new business sales increased 2ppts to 45%.

Written profit and gross margin per policy for motor and home are stated after allowing for deferral of part of the revenues from three-year fixed-price products, which is then recognised in profit or loss when the option to renew those policies at a predetermined fixed price is exercised or lapses, recognising the inflation risk inherent in these products. At 31 January 2025, £8.9m (2024: £10.6m) of income had been deferred in relation to three-year fixed-price products, £7.3m (2024: £8.9m) of which related to income written in the period to 31 January 2025.

Motor broking

Gross Written Premiums[9] decreased 5.0% due to a 12.7% reduction in core policies sold, partially offset by an 8.8% increase in average premiums. Gross Written Premiums[9], from business underwritten by AICL, decreased 18.2% to £160.0m (2024: £195.5m), due to a 22.2% decrease in core policies sold, offset by a 5.1% increase in average premiums.

Written Gross Profit After Marketing Expenses[9] was £33.0m (2024: £26.3m), contributing £50.4 per policy (2024: £35.1 per policy). The increase in renewal margins was partially offset by lower new business margins, a 13.8% reduction in renewal policies sold and a 7.5% decrease in new business policies sold.

Home broking

Gross Written Premiums[9] decreased by 4.5% due to a 16.6% reduction in core policies sold, partially offset by a 14.5% increase in average premiums.

Written Gross Profit After Marketing Expenses[9] was £27.1m (2024: £49.3m), equating to £51.3 per policy (2024: £77.9 per policy). The reduction in written gross profits, and margin per policy, was mainly due to the adverse impact of net rate inflation on home renewal profitability.

Other broking

Other broking primarily comprises PMI and travel insurance.

Gross Written Premiums[9] reduced by 6.3% as a result of lower average premiums and a reduction to policy sales, to 131k, (2024: 146k) in travel insurance. For PMI, policy sales decreased to 30k (2024: 33k).

As a result, Written Gross Profit After Marketing Expenses[9] relating to travel insurance products decreased by £2.5m.

While sales of PMI reduced slightly, there were net rate inflation pressures in the current year, reducing renewal margins and leading to Written Gross Profit After Marketing Expenses[9] decreasing by £3.5m.

£14.1m
Insurance Broking Written Underlying Profit Before Tax[9]
2023/24 – £34.4m

£50.8
Motor and home margin per policy
2023/24 – £54.7

9 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Insurance Underwriting (classified as a discontinued operation)

£m		12m to Jan 2025 Gross	Re-insurance	Net	*Gross change*	12m to Jan 2024 Gross	Re-insurance	Net
Insurance Underlying Revenue[10]	**A**	**194.5**	**(17.1)**	**177.4**	***14.5%***	**169.8**	**(17.0)**	**152.8**
Incurred claims (current year)	**B**	(143.1)	(5.3)	(148.4)	*16.3%*	(170.9)	22.3	(148.6)
Claims handling costs in relation to incurred claims	**C**	(17.8)	–	(17.8)	*(14.1%)*	(15.6)	–	(15.6)
Changes to liabilities for incurred claims (prior year)	**D**	52.5	(41.2)	11.3	*443.1%*	(15.3)	33.9	18.6
Other incurred insurance service expenses	**E**	(12.4)	–	(12.4)	*15.6%*	(14.7)	–	(14.7)
Insurance service result		**73.7**	**(63.6)**	**10.1**	***257.0%***	**(46.7)**	**39.2**	**(7.5)**
Net finance (expense)/income from (re)insurance (excludes impact of change in discount rate on non-PPO liabilities)		(16.8)	8.0	(8.8)	*(200.0%)*	(5.6)	3.1	(2.5)
Investment return (excludes fair value gains on debt securities)		9.4	–	9.4	*9.3%*	8.6	–	8.6
Underlying Profit/(Loss) Before Tax[10]		**66.3**	**(55.6)**	**10.7**	***251.7%***	**(43.7)**	**42.3**	**(1.4)**
Reported loss ratio	**(B+D)/A**	46.6%		77.3%	*63.1ppts*	109.7%		85.1%
Expense ratio	**(C+E)/A**	15.5%		17.0%	*2.3ppts*	17.8%		19.8%
Reported combined operating ratio (**COR**)	**(B+C+D+E)/A**	62.1%		94.3%	*65.4ppts*	127.5%		104.9%
Current year COR	**(B+C+E)/A**	89.1%		100.7%	*29.4ppts*	118.5%		117.1%
Number of earned policies		487k			*(9.6%)*	539k		
Policies in force – Saga motor		358k			*(22.7%)*	463k		

The Group's in-house underwriter, AICL, underwrites around 60% of the motor business sold by Insurance Broking, alongside a smaller proportion of business on other panels. Alongside this, AICL underwrites a portion of Saga's home panel, although all home underwriting risk is passed to third-party insurance and reinsurance providers. AICL also has excess of loss and funds-withheld quota share reinsurance arrangements in place, relating to its motor underwriting line of business, which transfer a significant proportion of motor insurance risk to third-party reinsurers.

In line with the wider market, AICL experienced a prolonged period of elevated claims inflation in 2022 and 2023, with the significant price rises applied over that time having now materially earned through to insurance revenue.

Gross insurance Underlying Revenue[10] in the current year increased 14.5% to £194.5m (2024: £169.8m), reflecting a 26.8% increase in average earned premiums. This was partially offset by a 9.6% reduction in the number of earned policies underwritten by AICL, particularly those underwritten for Saga as opposed to other panels.

The pricing and other management action taken during 2022 and 2023 resulted in significant improvement in the gross insurance service result year on year, with a 29.4ppt reduction in the current year gross COR to 89.1% (2024: 118.5%). After allowing for reinsurance arrangements, this increased to 100.7% (2024: 117.1%). This result was in line with expectations, recognising the fact that the gross current period motor surplus generated during the current year is shared with reinsurance partners.

Motor claims severity inflation during the current year reduced to 6%, in line with pricing expectations.

Positive changes to liabilities for incurred prior year claims reduced from £18.6m in the prior year to £11.3m in the current year. Both years benefited from favourable large claims movements (net of excess of loss reinsurance), albeit more so in the prior year. The net impact of our quota share reinsurance arrangements switched from a net benefit in the prior year to a net cost in the current year, with 80% of the favourable development in the most recent accident years ceded to quota share reinsurance partners.

£10.7m
Insurance Underwriting Underlying Profit/(Loss) Before Tax[10]
2023/24 – (£1.4m)

100.7%
Gross current year COR
2023/24 – 117.1%

10 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Financial Officer's Review continued

Other Businesses and Central Costs

	12m to Jan 2025				12m to Jan 2024		
£m	**Other Businesses**	**Central Costs**	**Total**	***Change***	Other Businesses	Central Costs	Total
Underlying Revenue[11]							
Money	5.6	–	5.6	*(12.5%)*	6.4	–	6.4
Publishing and CustomerKNECT	13.9	–	13.9	*13.0%*	12.3	–	12.3
Total Underlying Revenue	**19.5**	**–**	**19.5**	***4.3%***	**18.7**	**–**	**18.7**
Gross profit	**6.9**	**6.1**	**13.0**	***6.6%***	**7.2**	**5.0**	**12.2**
Operating expenses	(6.5)	(24.4)	(30.9)	*10.7%*	(6.3)	(28.3)	(34.6)
Investment income	–	3.7	3.7	*(31.5%)*	–	5.4	5.4
Net finance costs	–	(26.7)	(26.7)	*(15.1%)*	–	(23.2)	(23.2)
Underlying Profit/(Loss) Before Tax[11]	**0.4**	**(41.3)**	**(40.9)**	***(1.7%)***	**0.9**	**(41.1)**	**(40.2)**

The Group's Other Businesses include Money, Publishing and CustomerKNECT.

Underlying Profit Before Tax[11] for Other Businesses, when combined, reduced slightly, by £0.5m, from £0.9m in the prior year to £0.4m in the current year. Underlying Revenue[11] in Money reduced £0.8m due to market-wide equity release challenges arising from the inflationary environment.

Central operating expenses reduced to £24.4m (2024: £28.3m). Gross administration costs, before Group recharges, decreased by £0.8m in the year. Net costs decreased by a further £3.1m due to higher Group recharges to the business units.

£0.4m
Other Businesses Underlying Profit Before Tax[11]
2023/24 – £0.9m

(£41.3m)
Central Costs
2023/24 – (£41.1m)

Net finance costs in the year were £26.7m (2024: £23.2m), which excludes finance costs included within the Ocean Cruise business of £18.4m (2024: £18.2m) and Insurance Underwriting business of £8.8m (2024: £2.5m). The increase was predominantly driven by the drawdown on the loan facility provided by Roger De Haan to support repayment of the £150.0m bond in May 2024 and the higher interest rate attached to that facility.

What our customers think

"I feel comfortable with Saga. I trust Saga and at age 87 that is what I need."

Anonymous
Customer survey, Q2 2024

11 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Cash flow and liquidity

Available Operating Cash Flow[12]

£m	12m to Jan 2025	*Change*	12m to Jan 2024
Group Trading EBITDA[12]	137.1	*17.7%*	116.5
Less Trading EBITDA[12] from restricted businesses	(34.3)	*411.9%*	(6.7)
Group Trading EBITDA[12,13] from unrestricted businesses	**102.8**	***(6.4%)***	**109.8**
Working capital and non-cash items	2.2	*(92.8%)*	30.5
Dividends and intercompany repayments from restricted businesses	23.0	*(20.7%)*	29.0
Capital expenditure funded with Available Cash[12]	(18.4)	*27.8%*	(25.5)
Available Operating Cash Flow[12]	**109.6**	***(23.8%)***	**143.8**
Restructuring costs	(21.3)	*26.0%*	(28.8)
Interest and financing costs	(43.3)	*(10.2%)*	(39.3)
Tax receipts	7.5	*63.0%*	4.6
Other payments	(5.8)	–	(5.8)
Change in cash flow from operations	**46.7**	***(37.3%)***	**74.5**
Change in bond debt	(150.0)	*(100.0%)*	–
Change in loan facility debt	75.0	*100.0%*	–
Change in Ocean Cruise ship debt	(62.2)	–	(62.2)
Cash at 1 February	169.8	*7.8%*	157.5
Available Cash[12] at 31 January	**79.3**	***(53.3%)***	**169.8**

£m	12m to Jan 2025	*Change*	12m to Jan 2024
Available Operating Cash Flow[12] by business unit			
Ocean Cruise	92.4	*0.3%*	92.1
River Cruise	1.4	*(78.8%)*	6.6
Holidays	12.6	*50.0%*	8.4
Insurance Broking	8.1	*(80.6%)*	41.8
Insurance Underwriting	9.0	*(35.7%)*	14.0
Other Businesses and Central Costs	(13.9)	*27.2%*	(19.1)
Available Operating Cash Flow[12]	**109.6**	***(23.8%)***	**143.8**

12 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
13 Trading EBITDA includes the line-item impact of IFRS 16 with the corresponding impact to net finance costs included in net cash flows used in financing activities

Group Chief Financial Officer's Review continued

Available Operating Cash Flow[14] is made up of the cash flows from unrestricted businesses and the dividends paid by, and intercompany repayments from, restricted companies, less any cash injections to those businesses. Unrestricted businesses include Insurance Broking (excluding specific ring-fenced funds to satisfy Financial Conduct Authority (**FCA**) regulatory requirements), Other Businesses and Central Costs, and the Group's Ocean Cruise business. Restricted businesses include Insurance Underwriting, River Cruise and Holidays.

As a result of a reduction in cash generation from Insurance Broking and dividends paid by Insurance Underwriting, Available Operating Cash Flow[14] fell from £143.8m in the prior year to £109.6m the current year.

The Ocean Cruise business reported an Available Operating Cash Flow[14] of £92.4m (2024: £92.1m), with an increase in advance customer receipts of £12.0m (2024: £13.7m) and net trading income of £97.3m (2024: £82.2m), partially offset by capital expenditure of £5.4m (2024: £3.8m) and cash collateralised Association of British Travel Agents bonding of £11.5m (2024: £nil). Net of interest costs of £15.8m (2024: £15.2m) and exceptional costs of £1.7m (2024: £1.0m), the Ocean Cruise business reported a net cash inflow, before capital repayments on the ship debt, of £74.9m for the year, compared with £75.9m in the prior year.

The River Cruise business repaid the Group £1.4m in the year (2024: £6.6m). The reduction is a result of all intercompany loans that arose following the impact of COVID-19 having now been repaid. For any further excess cash to be paid back to the Group, dividends will only be paid following an approval process with the Civil Aviation Authority (**CAA**). This is likely to commence by the end of 2025/26, when enough distributable reserves will have accumulated. The business continues to be under an escrow trust arrangement as part of its CAA licence. At 31 January 2025, the business held cash of £13.9m, of which £8.8m was held in escrow. The business must hold a minimum of £1.7m of cash outside of escrow within the business, as agreed with the CAA.

The Holidays business repaid the Group £12.6m during the year (2024: £8.4m). This increase arose due to a change in its CAA licence, moving from an escrow trust arrangement, where 70% of customer cash was held in escrow and a minimum cash balance of around £5m was required within the business, to an arrangement where 70% of customer cash is held within the business rather than in escrow with no minimum cash balance.

The Insurance Broking business reported an Available Operating Cash Flow[14] of £8.1m (2024: £41.8m). The decrease of £33.7m is the result of two significant adverse movements in the year. The first significant adverse movement is in relation to the home product, which faced not only a reduction in policy volumes of 105k in the year, but also a reduction to margins of £27 per policy. The margin reduction was the result of average net written premiums (**NWP**) increasing by 42% in the year, compared to average GWP increasing by 17%. The impact of these, in combination, was a £22.1m decrease in EBITDA on the home product, which is 89% of the £24.8m overall reduction to EBITDA. The second significant adverse movement was driven by working capital within the motor product. In 2023/24, there was a large increase in NWP, which drove a high working capital inflow. In 2024/25, there was a reduction in NWP, which drove a working capital outflow, resulting in the movement year on year being adverse. This was partially offset by a corresponding reduction in GWP, which drove positive movement in working capital year on year. The overall year on year adverse movement on working capital was £13.2m. Both of these adverse movements were partially offset by a reduction in capital expenditure in the current year of £4.3m.

The Insurance Underwriting business paid dividends to the Group of £9.0m (2024: £14.0m), with the reduction in line with expectations.

Other cash flow movements

Interest and financing costs increased in the current year, predominantly driven by the drawdown on the loan facility provided by Roger De Haan to support repayment of the £150.0m bond in May 2024 and the higher interest rate attached to that facility.

The Group continued to make the agreed payments to the defined benefit pension fund as part of the deficit recovery plan of £5.8m (2024: £5.8m), which are included within other payments.

In the current year, the Group repaid in full its £150.0m corporate bond at maturity, drew down £75.0m of the available £85.0m loan facility provided by Roger De Haan and continued to make capital repayments against its Ocean Cruise ship debt facilities, with two payments totalling £30.6m (2024: £30.6m) on Spirit of Discovery's debt facility and two payments totalling £31.6m (2024: £31.6m) on Spirit of Adventure's debt facility.

£109.6m
Available Operating Cash Flow[14]
2023/24 – £143.8m

£79.3m
Available Cash[14] at 31 January
2023/24 – £169.8m

14 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Statement of financial position

Goodwill

On 1 January 2022, new pricing rules arising from the implementation of recommendations included in the FCA's General Insurance Pricing Practices market study came into effect. As a result, and against the background of a highly competitive motor insurance market, the Group saw a fall in policy volumes in the period to 31 July 2023 and year to 31 January 2024. At 31 July 2024, high net rate inflation from our underwriting panel continued to have an adverse impact on the expected future profitability of the Insurance business. In December 2024, the Group also announced it had entered into a binding agreement with Ageas, to establish a 20-year partnership for motor and home insurance (the **Affinity Partnership**), which is expected to impact future cash flows of the business. Management, therefore, considered it necessary to perform impairment assessments of goodwill attaching to the Insurance Broking business at each of these dates.

Forecast cash flows were modelled and, as a result, management took the decision to impair Insurance goodwill by £138.3m at 31 July 2024, following total impairments recognised in the year to 31 January 2024 of £104.9m. No further impairment was identified at 31 January 2025. Consistent with the approach taken in previous years, this impairment is not included within Underlying Profit Before Tax[15].

Carrying value of Ocean Cruise ships

At 31 January 2025, the carrying value of the Group's Ocean Cruise ships was £570.6m (31 January 2024: £586.7m). Trading performance in the current year was very positive and, with strong bookings for 2025/26, the Directors concluded that there were no indicators of impairment at 31 January 2025.

Investment portfolio

The majority of the Group's financial assets are held by its Insurance Underwriting entity and represent premium income received and invested to settle claims and meet regulatory capital requirements.

The amount held in invested funds increased by £1.2m to £253.1m (31 January 2024: £251.9m). At 31 January 2025, 100% of the financial assets held by the Group were invested with counterparties with a risk rating of BBB or above, consistent with the prior year end, reflecting the relatively stable credit risk rating of the Group's investment holdings.

	Credit risk rating					
At 31 January 2025	**AAA £m**	**AA £m**	**A £m**	**BBB £m**	**Unrated £m**	**Total £m**
Investment portfolio						
Deposits with financial institutions	–	1.0	10.5	–	–	11.5
Debt securities	22.8	53.2	52.4	50.3	–	178.7
Money market funds	62.9	–	–	–	–	62.9
Total invested funds	85.7	54.2	62.9	50.3	–	253.1
Derivative assets	–	0.2	0.9	–	–	1.1
Total financial assets	**85.7**	**54.4**	**63.8**	**50.3**	**–**	**254.2**

	Credit risk rating					
At 31 January 2024	AAA £m	AA £m	A £m	BBB £m	Unrated £m	Total £m
Investment portfolio						
Debt securities	23.9	59.2	70.4	65.6	–	219.1
Money market funds	32.8	–	–	–	–	32.8
Total invested funds	56.7	59.2	70.4	65.6	–	251.9
Derivative assets	–	–	0.3	–	–	0.3
Total financial assets	**56.7**	**59.2**	**70.7**	**65.6**	**–**	**252.2**

Insurance reserves

Analysis of insurance contract liabilities at 31 January 2025 and 31 January 2024 is as follows:

	At 31 January 2025			At 31 January 2024		
£m	**Gross**	**Reinsurance assets**	**Net**	Gross	Reinsurance assets	Net
Incurred claims – estimate of the present value of future cash flows	235.9	(88.9)	147.0	286.4	(141.3)	145.1
Incurred claims – risk adjustment	33.7	(28.2)	5.5	40.2	(33.7)	6.5
Remaining coverage – excluding loss component	46.3	9.3	55.6	56.6	3.1	59.7
Remaining coverage – loss component	1.8	–	1.8	16.1	(1.3)	14.8
Total	**317.7**	**(107.8)**	**209.9**	**399.3**	**(173.2)**	**226.1**

The Group's total insurance contract liabilities, net of reinsurance assets, decreased by £16.2m in the year to 31 January 2025 from the previous year end, primarily due to a £17.1m reduction in net remaining coverage claims reserves. This was partially offset by a £0.9m increase in net incurred claims reserves. The reduction in net remaining coverage claims reserves reflects favourable experience on large bodily injury claims relating to prior accident years.

15 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Financial Officer's Review continued

Financing

At 31 January 2025, the Group's Net Debt[16] was £590.5m, £46.7m lower than at the start of the financial year. Net Debt[16] is analysed as follows:

£m	Maturity date[17]	31 January 2025	31 January 2024
3.375% Corporate bond	May 2024	–	150.0
5.5% Corporate bond	July 2026	250.0	250.0
RCF	March 2026	–	–
Loan facility provided by Roger De Haan	April 2026	75.0	–
Spirit of Discovery Ocean Cruise ship loan	June 2031	143.0	173.6
Spirit of Adventure Ocean Cruise ship loan	September 2032	201.8	233.4
Less Available Cash[16,18]		(79.3)	(169.8)
Net Debt[16]		**590.5**	**637.2**

Financial covenant compliance

The Group's Leverage Ratio[16], at 31 January 2025, was 4.7x (31 January 2024: 5.4x), within the 6.0x covenant under the existing RCF facility at 31 January 2025.

£m	31 January 2025	31 January 2024
Net Debt[16]	590.5	637.2
Adjusted Trading EBITDA[16]	126.0	117.5
Leverage Ratio[16]	**4.7x**	**5.4x**

The Group's interest cover ratio, at 31 January 2025, was 4.3x (31 January 2024: 3.9x), in excess of the 3.0x covenant under the existing RCF facility at 31 January 2025.

£m	31 January 2025	31 January 2024
Adjusted Trading EBITDA[16]	126.0	117.5
Total net cash interest	29.1	29.9
Interest cover ratio	**4.3x**	**3.9x**

The Group also has financial covenants associated with its Ocean Cruise ship debt facilities, being a debt service cover ratio and an interest cover ratio. The debt service cover ratio, at 31 January 2025, was 1.4x (31 January 2024: 1.0x), in excess of the 1.0x covenant under the Ocean Cruise ship debt facilities at the same date. The interest cover ratio, at 31 January 2025, was 7.9x (31 January 2024: 5.4x), in excess of the 2.0x covenant under the ship debt facilities at the same date.

£m	31 January 2025	31 January 2024
ST&H Group consolidated pro forma Trading EBITDA[16]	103.9	80.3
ST&H Group consolidated debt service	75.3	77.2
Debt service cover ratio	**1.4x**	**1.0x**

£m	31 January 2025	31 January 2024
ST&H Group consolidated pro forma Trading EBITDA[16]	103.9	80.3
ST&H Group consolidated total net cash interest expenses	13.1	15.0
Interest cover ratio	**7.9x**	**5.4x**

16 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
17 Maturity date represents the date that the principal must be repaid, other than the Ocean Cruise ship loans, which are repaid in instalments
18 Refer to Note 25 of the financial statements for information as to how this reconciles to a statutory measure of cash

Changes to facilities

During the first half of the year, the Group repaid in full its £150.0m corporate bond at maturity and drew down £75.0m of the available £85.0m loan facility provided by Roger De Haan. The Group also made repayments on its Ocean Cruise ship debt facilities in March 2024 and September 2024 for Spirit of Adventure and in June 2024 and December 2024 for Spirit of Discovery, totalling £31.6m and £30.6m respectively.

To support the transition to our new Insurance Broking operating model, in September 2024, we concluded discussions with the lenders behind our RCF at the year end to provide the Group with greater financial flexibility. As a result, the following amendments were agreed, in addition to other smaller changes:

- Extension to the maturity date from 31 May 2025 to 31 March 2026.
- Leverage Ratio[19] test to now be conducted on a Group basis, including the Net Debt[19] and Trading EBITDA[19] in relation to Ocean Cruise.
- Reduction in the Leverage Ratio[19] covenant from 6.25x to 6.0x until maturity.

In addition, a series of amendments were made to the loan facility provided by Roger De Haan. These included an extension to the facility maturity, from 31 December 2025 to 30 April 2026, a reduction to the notice period required for drawdown of the loan, to 10 business days, and an increase in the maximum number of permitted utilisations, to 10.

On 30 January 2025, we announced that we had secured new credit facilities, with HPS Funds, that would materially enhance the Group's liquidity position, significantly increase covenant headroom and provide funding certainty as we execute our growth plans.

The new facilities comprise:

- a £335.0m term loan;
- a £100.0m delayed-draw term loan (**DDTL**), which is available for three years and can be drawn for repayment of amortisation on the Ocean Cruise ship debt facilities, mergers and acquisitions and capital investment; and
- a £50.0m RCF.

The term loan and DDTL, which offer significant early repayment flexibility, will mature in January 2031 and are subject to a margin based on our net Leverage Ratio[19], priced with an initial margin of 6.75% over the Sterling Overnight Index Average rate, and reducing as we de-lever.

The new facilities, when combined with our existing Ocean Cruise ship facilities which remain unchanged, result in an initial blended pro forma interest rate of around 7.6%.

Following the year end, the £335.0m term loan was drawn, with the funds used to:

- repay and cancel the £250.0m bond, maturing July 2026; and
- repay the £75.0m drawn proportion and cancel the £85.0m loan facility provided by Roger De Haan, maturing April 2026.

At the same point, the Group's existing £50.0m RCF was cancelled.

Pensions

The Group's defined benefit pension scheme liability, as measured on an International Accounting Standard 19R basis, decreased by £8.1m to a £39.8m liability at 31 January 2025 (31 January 2024: £47.9m).

£m	**31 January 2025**	31 January 2024
Fair value of scheme assets	200.1	204.5
Present value of defined benefit obligation	(239.9)	(252.4)
Defined benefit pension scheme liability	**(39.8)**	**(47.9)**

The movements observed in the scheme's assets and obligations were impacted by macroeconomic factors during the year where, at a global level, there were rising inflation and cost of living pressures, as well as shifts in long-term market yields. The present value of defined benefit obligations decreased by £12.5m to £239.9m, primarily as a result of increases in bond yields over the year, partly offset by an increase in future expectations for inflation. The fair value of scheme assets decreased by £4.4m to £200.1m, largely driven by the recovery plan payment being more than offset by lower returns on assets from the fall in interest rates in the year.

Net assets

Since 31 January 2024, total assets decreased by £294.5m and total liabilities decreased by £128.7m, resulting in an overall decrease in net assets of £165.8m.

The reduction in total assets is primarily due to:

- a decrease in goodwill of £138.3m, following an impairment to Insurance Broking goodwill in the year;
- a decrease in intangible fixed assets of £26.4m, following an impairment to Insurance Broking systems, Guidewire and 1insurer in the year;
- a decrease in property, plant and equipment of £10.6m, of which £23.2m relates to depreciation in the year, £0.2m of disposals and a £0.1m impairment, partially offset by £6.9m of additions and £6.0m transferred from assets held for sale;
- a decrease in financial assets of £239.6m, of which £241.6m relates to amounts transferred to assets held for sale;
- a decrease in deferred tax assets of £49.4m, as they are no longer recoverable;
- a decrease in reinsurance assets of £173.2m, which have been transferred to assets held for sale;
- a decrease in trust accounts of £29.1m due to the Holidays business agreeing with the CAA to remove the escrow trust arrangement;
- a decrease in cash and short-term deposits of £59.5m, mainly as a result of the repayment of the £150.0m corporate bond at maturity, partially offset by the £75.0m drawdown of the available £85.0m loan facility provided by Roger De Haan;
- an increase in trade and other receivables of £16.0m; and
- an increase in assets held for sale of £419.5m, due to the classification of the Insurance Underwriting business as held for sale.

The decrease in total liabilities largely reflects:

- a decrease of £399.3m in insurance contract liabilities, which have been transferred to liabilities held for sale;
- a decrease of £138.3m in financial liabilities, which is mainly due to a reduction of £134.0m in bonds, bank loans and other loans, as a result of the repayment of the £150.0m corporate bond and £62.2m of capital repayments on Spirit of Discovery and Spirit of Adventure facilities, partially offset by the £75.0m drawdown of the available £85.0m loan facility provided by Roger De Haan;
- an increase of £17.0m in contract liabilities due to the improved future bookings outlook in Travel;
- an increase of £54.0m in trade and other payables, which includes an amount from discontinued operations of £54.4m; and
- an increase in liabilities held for sale of £346.9m due to the classification of the Insurance Underwriting business as held for sale.

19 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Group Chief Financial Officer's Review continued

Going concern

The Directors performed an assessment of going concern to determine the adequacy of the Group's financial resources over the period from the date of signing these financial statements to 30 April 2026.

This assessment is centred on a base case overlaid with risk-adjusted financial projections which incorporate scenario analysis and stress tests on expected business performance.

On 30 January 2025, the Group announced that it had agreed new credit facilities, comprising a £335.0m term loan facility, a £100.0m DDTL facility and a £50.0m RCF. The term loan facility and DDTL facility both mature on 29 January 2031 and the RCF matures on 29 July 2030. Subsequent to the year end, on 27 February 2025, the Group drew down the £335.0m term loan facility and utilised the proceeds to repay the £250.0m senior unsecured notes maturing in July 2026, and the £75.0m drawn under the £85.0m loan facility provided by Roger De Haan. This refinancing substantially reduced the Group's exposure to debt maturities in the near term and secured access to additional sources of liquidity to provide the Group with financial flexibility over the coming years.

The Group's base case modelling assumes continued strong performance in Cruise on the back of continued high load factors and growth in per diems. Our Holidays business is also expected to achieve further growth in profits. The Insurance division reflects the expected disposal of the Group's Underwriting business later this year, together with a plan for the Broking business, that sees it leveraging strategic partnerships to meet the needs of the over-50s, while migrating to a new operating model for motor and home that will facilitate a return to longer-term growth.

The Group's severe but plausible stressed scenario incorporates a reduction in load factors of 1-2% for Cruise and a reduction in touring customer volumes of c.2,500 per annum in the Holidays business. Downside risks modelled for Insurance include the impact of a possible delay in the timing of the expected sale of the Underwriting business.

The modelling indicates that, under both scenarios, and incorporating drawdowns against its new £50.0m RCF, but no drawdown against the £100.0m DDTL facility, the Group expects to make all Ocean Cruise debt principal repayments as they fall due over the period to April 2026 and to retain sufficient levels of Available Cash[20] to service its liquidity requirements across the assessment period. In addition, it expects to meet the financial covenants relating to its secured Cruise debt and to remain below the 8.8x Leverage Ratio[20] covenant attached to its new £50.0m RCF. It also expects to remain below the 8.0x Leverage Ratio[20] covenant attached to the new £335.0m term loan and to the £100.0m DDTL facility, enabling it to draw down on this currently undrawn facility to support the repayment of Ocean Cruise debt repayments should the need arise.

Noting that it is not possible to accurately predict all possible future risks to the Group's trading, based on this analysis and the scenarios modelled, the Directors concluded that the Group will have sufficient funds to continue to meet its liabilities as they fall due at least until 30 April 2026. They have, therefore, deemed it appropriate to prepare the financial statements to 31 January 2025 on a going concern basis.

Dividends and financial priorities for 2025/26

Dividends

Given the Group's priority of reducing Net Debt[20], the Board of Directors does not recommend payment of a final dividend for the 2024/25 financial year, nor would this currently be permissible under financing arrangements and while the ship debt facility deferred amounts are outstanding.

Financial priorities for 2025/26

The Group's financial priorities for the current financial year are to reduce Net Debt[20] via capital-light growth, continue to build on the momentum in our Travel businesses and optimise Insurance Broking performance ahead of the transition to the partnership with Ageas.

Mark Watkins
Group Chief Financial Officer
15 April 2025

"I feel reassured that Saga is reputable and trustworthy. Any time I have phoned I have spoken relatively quickly to a real-life person – that in itself is a huge plus!"

Anonymous
Customer survey, Q3 2024

Environmental, Social and Governance

OUR COMMITMENT TO ESG

At Saga, we recognise the importance of Environmental, Social and Governance (**ESG**) and continue to make progress with our ESG agenda.

In 2023, we launched Saga's ESG strategy, ensuring that the business, and its stakeholders, are clear on our priorities and where we can improve in the coming years. In 2024, we continued to make progress against our key performance indicators (**KPIs**) and targets, through which we track and report on our ESG journey.

Our highlights during the year included the calculation of our Scope 3 emissions footprint and collection of colleague diversity data, enabling us to consider setting informed targets around diversity, equity, inclusion and belonging (**DEI&B**).

We have launched our exciting new partnership with Kent Wildlife Trust, helping them to drive important action in protecting nature and biodiversity.

ESG remains a priority for our business and we believe it is essential to the future success of our brand. There is always more to do, and we hope our ongoing efforts will continue to drive positive change.

Looking ahead, we continue to prioritise the environmental performance of our Cruise fleet, including establishing a pathway to achieving net zero emissions by 2050, in line with the United Kingdom (**UK**) commitment to the 2015 Paris Agreement.

> "Looking ahead, we continue to prioritise the environmental performance of our Cruise fleet, including establishing a pathway to achieving net zero emissions."

Mike Hazell
Group Chief Executive Officer

Our ESG framework

Purpose

Saga exists to deliver exceptional experiences every day to serve the needs of older people.

Championing positive ageing

The ambition to enhance the lives of older people is at the heart of everything we do.

KPIs

- Customer transactional net promoter score
- Proportion of customers determining that it is 'extremely easy' to deal with Saga
- Trustpilot score
- Proportion of colleagues completing training on the basics of ageing

Related Sustainable Development Goals (SDGs)

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Acting on climate change and biodiversity

As we provide opportunities for older people, we must ensure that we protect our environment.

KPIs

- Calculation of carbon baseline, including Scope 3 emissions
- Development of net zero pathway
- Cruise ship environmental ratings
- Proportion of Cruise ship fleet with shore power connection
- Partnerships on oceans and biodiversity

Related SDGs

13 CLIMATE ACTION
14 LIFE BELOW WATER

Strengthening our exceptional culture

An engaged, inclusive and diverse culture encourages our colleagues to thrive.

KPIs

- Female representation in leadership positions
- Female Board representation
- Ethnic minority Board representation
- Completion of colleague diversity review

Related SDGs

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Governance

A governance framework that ensures how we work is as important as what we do and why we do it.

Refer to our 2025 ESG Report for further information on ESG performance and progress against our KPIs during the year

Environmental, Social and Governance continued

Task Force on Climate-Related Financial Disclosures Report

Our climate-related financial disclosures

We recognise the importance of the Task Force on Climate-related Financial Disclosures (**TCFD**) in providing a framework for transparent reporting around climate-related risks and opportunities. In support of the framework, and in line with our obligations under Financial Conduct Authority UK Listing Rule (**UKLR**) 6.6, the following pages set out our disclosures consistent with the TCFD recommendations on climate-related financial disclosures, including the TCFD guidance for all sectors.

During the year, we ensured that changes to our business model, relating to our response to sustainability-related risks, were incorporated into our business planning processes, which formed the basis of certain key judgements linked to financial performance and the integration of climate risk into our viability modelling.

1 Governance

Find out more to the right

2 Strategy

Find out more on pages 41-44

3 Risk management

Find out more on page 45

4 Metrics and targets

Find out more on pages 45-46

1 Governance

The Board oversees climate-related risk exposure within its risk management framework. The Board is informed of climate-related issues on a regular basis, through management reporting and escalation through its Committees.

The Board has overall accountability for risks associated with climate change and commits to including climate-related risk formally on the Board agenda, including the oversight of emissions performance and embedding climate resilience into risk management, as part of the wider ESG strategy. Our ESG Champion, Gemma Godfrey, provides Board-level advocacy for ESG, including factors related to climate change.

The Risk Committee examines climate-related risk as part of its consideration of principal risks and uncertainties (**PRUs**). The Risk Committee also meets to discuss the Group's overall risk tolerance, strategy and ability to detect new risks, including those related to climate change. The Committee Chair reports their recommendations to the Board, outlining the PRUs, how they are identified and any mitigating actions.

The Audit Committee monitors the integrity of the Group's financial statements and works with the Risk Committee to oversee the effectiveness of internal control systems.

The Operating Board is tasked with ESG delivery, including climate-related risk assessment, and ensuring that action and performance management for climate issues are delivered throughout the organisation. It also holds responsibility for overseeing major capital expenditure, acquisitions and divestitures. The Operating Board reports to the Board through the Group Chief Executive Officer (**CEO**).

Find out more in division of responsibilities on page 67

In 2023, we developed our ESG strategy, which includes a focus on acting on climate change. Both the Operating Board and plc Board were engaged in the strategy development process and approval.

Management incentives are tied to the achievement of the ESG targets described within our 2025 ESG Report. We are considering alignment of senior management incentives with emissions targets, once established, as part of our net zero emissions transition planning.

We have an established ESG Steering Committee, with representation from senior leaders across each of our business units and key Group functions. This Committee is chaired by the Chief People Officer and has responsibility for implementing ESG initiatives, including measures relating to climate change.

Board and Committee responsibilities

Board

Overall accountability for management of climate-related risks and opportunities. Discussed bi-annually and as needed, following escalation from its Committees.

Audit Committee

Oversees framework of internal controls, including those on climate-related risk. Discussed annually as part of year-end reporting.

Risk Committee

Oversees risk management framework, including climate-related risk management. Discussed as part of PRUs review.

Nomination Committee

Links policy on DEI&B to strategy and promotes diversity in new appointments.

Remuneration Committee

Sets performance-linked pay schemes, including implementation of ESG-related incentives.

Operating Board

Implements ESG strategy and ensures integration of climate-related actions within strategies, budgets and operating plans. Discussed quarterly.

ESG Steering Committee

Supports and monitors delivery of ESG priorities and targets and drives ESG accountability across the business unit and Group functions.

2 Strategy

Our ESG strategy includes a commitment to act on climate change and biodiversity, supported by targets focussed on calculating Scope 3 emissions, setting a net zero target in line with the science on climate change and introducing low-carbon technologies to our ship fleet.

As reported in our 2024 Annual Report and Accounts, we completed scenario analysis to assess the resilience of the Group against potential future climate change impacts and intend to refresh this analysis every two years.

Our scenario analysis (as detailed on page 44) involved engagement with each of our business units, facilitated by key central functions, including risk and finance and supported by external advisers.

We assessed climate-related risks across our business units and within our key operating regions. The timeframes used in our scenario analysis were chosen for their relevance, both to our own operations, including the lifespan of our assets, and to international pledges on emissions reductions.

Risks and opportunities were evaluated on a sectoral and geographical basis in alignment with the climate-related risk and opportunity categories described within tables A.1.1 and A.1.2 of the TCFD Implementation Guidance.

Our most significant risks and opportunities are described in the table overleaf.

Reducing carbon emissions

We are exploring ways in which we can reduce our emissions footprint, particularly those associated with our Cruise fleet which forms the dominant portion of our Scope 1 emissions. During the year, we continued installation of shore power connectivity for our fleet, allowing our ships' engines to be turned off when in port, reducing emissions when compared with using marine fuel. We are aiming to convert our entire fleet to this technology by the end of 2026.

We also continued trials of fatty acid methyl ester (**FAME**) biofuel on board our ocean fleet. Our ships continue to maintain their A-ratings in key international energy efficiency rating schemes. Other measures taken during the year include application of slick paint compounds to our ship hulls, to improve sailing efficiency, and the creation of digital data models of our ships, enabling us to test carbon efficiency measures virtually prior to real-world application.

50%
of our Saga-branded Cruise fleet is fitted with shore power connectivity

Environmental, Social and Governance continued

Task Force on Climate-Related Financial Disclosures Report continued

2 Strategy continued

Risks

Acute physical

Description

Increasingly severe rain, drought, heat and storm events cause supply chain disruption, leading to reduced customer experience and increased business costs. Incidents of severe weather affect Cruise and Holidays[1] itineraries and availability of supplies across business activities.

Increased insurance claims for property damage (motor and home lines), and risks to health (private medical and travel lines) affect claims frequency, profitability and reinsurance costs. Damage to customers' assets may also lead to withdrawals from savings accounts.

Mitigation

Cruise and Holidays[1] itineraries are continually reviewed and updated in response to incidents, including those related to weather. Insurance control measures are largely dependent on third-party underwriters, although we have greater control over our in-house underwritten book.

Category

P Physical

Business units

Cruise, Holidays[1], Insurance and Publishing

Time horizon

Short term (up to 2030) | Medium term (2031–2040) | Long term (2041–2050)

Chronic physical

Description

Sea level rise and altered weather patterns result in increased coastal erosion and flooding. Port operations (Cruise), beach front destinations (Holidays[1]), property (Insurance) and general supply chains (including Publishing) are disrupted. Consequent flooding and infrastructure damage leads to general disruption and complaints.

Mitigation

The Cruise and Holidays[1] business models allow flexibility in the sites visited and accommodation used, enabling adaptability to changing weather patterns. Insurance control measures are largely dependent on third-party underwriters, although we have greater control over our in-house underwritten book. Communication with customers around delays to the Saga Magazine delivery may mitigate reputational impact.

Category

P Physical

Business units

Cruise, Holidays[1], Insurance, Money and Publishing

Time horizon

Short term (up to 2030) | Medium term (2031–2040) | Long term (2041–2050)

Policy and legal

Description

Growing exposure to regulatory requirements, including emissions taxation, carbon pricing and reporting burden, increases costs across all business units. Potential reputational damage, and litigation, arise due to incidents of non-compliance with more rigorous regulation.

Mitigation

Saga has tracked emissions for several years, building an understanding of emissions sources. Our Cruise fleet is relatively new and less polluting than industry counterparts. Saga is positioned to establish decarbonisation plans towards 2050, while existing practices, including sulphur scrubbing, enhanced hull cleaning and shore power connectivity, are reducing emissions over time.

Category

T Transition

Business units

Cruise, Holidays[1], Insurance, Money and Publishing

Time horizon

Short term (up to 2030) | Medium term (2031–2040) | Long term (2041–2050)

Market and technology

Description

Adaptation to lower-carbon practices, including retro-fit of ships (Cruise), use of sustainable aviation fuels (Holidays[1]), incentives for low-emissions home improvements (Insurance) and digital media products (Publishing) drive increasing costs and product pricing. Failure to adapt could lead to reputational damage and competitive disadvantage.

Mitigation

Saga can promote sustainable holiday options and will proactively implement strategic initiatives, including net zero planning focussed on maintaining competitiveness. The ongoing transition to digital media products, alongside media content focussed on environmental protection, aligns with an increasingly climate-conscious customer base.

Category

T Transition

Business units

Cruise, Holidays[1], Insurance and Publishing

Time horizon

Short term (up to 2030) | Medium term (2031–2040) | Long term (2041–2050)

1 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Opportunities

Energy and resource efficiency

Description

Collaboration with supply chains, including ship technology providers and fuel suppliers, will enable the introduction of energy savings to Cruise activities.

Increased use of low-emission drop-in fuels, improved ship specifications on new vessels, and retro-fit of technology to existing vessels can improve asset efficiency, extending asset life and ensuring Cruise products remain relevant into the future.

The ongoing shift to digital media products, from traditional paper products, will reduce operational costs and improve climate resilience by simplifying supply chains.

Products and services

Description

The physical impacts of climate change may open new geographies for travelling and incentivise innovative travel offerings at differing times of the year.

Customer involvement in sustainability-focussed holidays, media products focussed on sustainability themes, and other avenues, provide a growing method of engagement with our customer base.

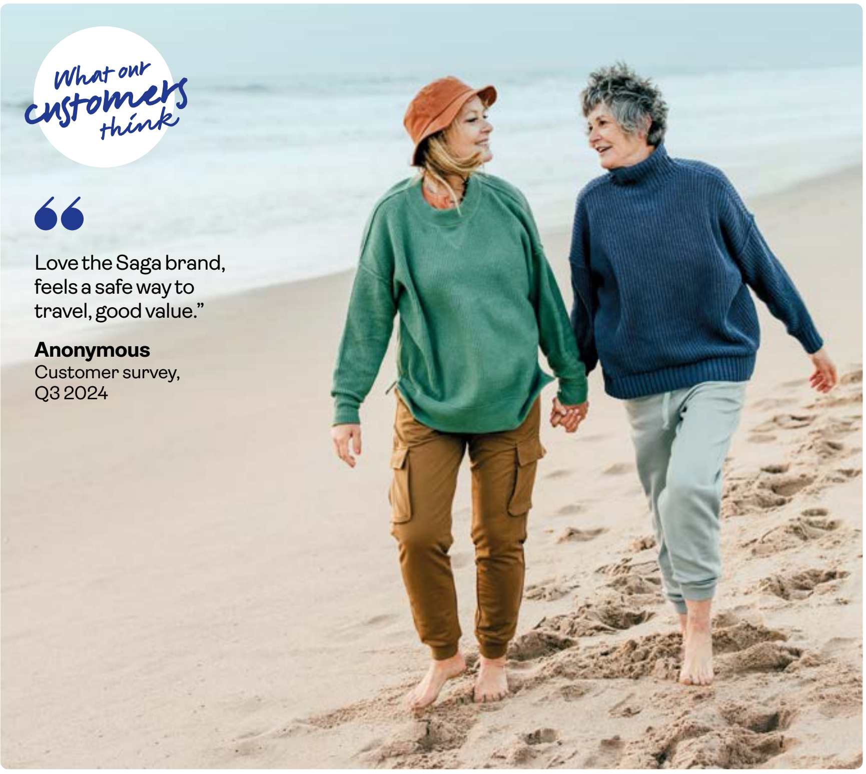
ESG themes can increasingly feature in product portfolios, including within insurance and investment products.

Market resilience

Description

Group-wide net zero planning provides an opportunity to improve resilience, through understanding decarbonisation routes and opportunities to engage with, and strengthen, supply chains.

Climate-conscious financial products can be tailored to reward customers for sustainable behaviours.



107,766 tCO_2e
Scope 1 and 2 emissions
2023/24 – 110,708[2] tCO_2e

2 Figures restated to account for the use of FAME fuels more accurately within Scope 1 emissions associated with marine fuel

Environmental, Social and Governance continued

Task Force on Climate-Related Financial Disclosures Report continued

2 Strategy continued

Scenario analysis

During 2023, we undertook scenario analysis aligned to the recommendations of the TCFD. We utilised a range of scenarios across both normative and exploratory pathways. We intend to refresh this analysis on a regular basis going forward, with the next review planned for 2025.

Climate scenarios

Our scenario analysis examined three Shared Socioeconomic Pathway (**SSP**) scenarios from the Intergovernmental Panel on Climate Change (**IPCC**) and three transition scenarios from the International Energy Agency (**IEA**). We also considered sector-specific transition guidance from the International Maritime Organization (**IMO**) and UMAS. These scenarios were selected as the most current projections of future climate change relevant to Saga's business activities.

Geographic regions

We selected four key global regions, as defined by the IPCC, as the focus of our scenario analysis, based on their significance to the operations of our business units.

These were:

- UK;
- Mediterranean;
- Europe; and
- Eastern North America.

The UK region is significant as the base for the majority of our operations and as the location of the majority of our assets, customers, and insured properties and vehicles. The other global regions selected collectively contribute the majority of revenue for our Cruise and Holidays[3] business units as destination locations.

Time horizons

We considered the following time horizons:

- Short term (up to 2030)
- Medium term (2031–2040)
- Long term (2041–2050)

Time horizons up to 2050 were assessed, due to the significance of this date for transition scenarios, in alignment with international pledges on emissions reductions and the expected manifestation of significant physical climate impacts by this date.

Methodology

We conducted an initial desktop study to identify Saga's resilience to potential climate impacts, based on our selected climate scenarios, across our chosen regions and time horizons.

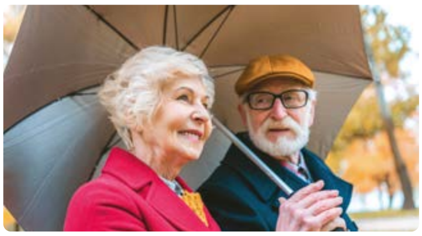
We then conducted workshops with Risk, Finance and operational subject matter experts, across each of our business units and key Group functions.

Based on the outputs of these workshops, risks were assessed for their impact and likelihood and aligned to Saga's risk management framework and scoring mechanism.

Summary of findings

Our findings highlighted the shorter-term adaptation to a low-carbon economy and increasing exposure to regulatory requirements, including emissions taxation and carbon pricing, as well as a growing reporting expectation, as key transition risks to the Group. In the longer term, we found that the increasingly severe acute and chronic impacts of climate change could disrupt supply chains, leading to negative impacts on customer experience, higher insurance premiums and supply chain issues.

Our findings identified that our strategy remains appropriate, based on the risks and opportunities identified within each scenario, although we recognise the need to continue to develop our climate resilience going forward.



Summary of scenarios analysed

	Scenario models utilised	Scenario summary
Low-emission (best-case) scenario	Physical climatic impacts are minimised and are less severe than in the medium- and high-emission scenarios. Advancements in technical and operational efficiency temper growth in energy demand across sectors and alternative fuels contribute the majority of supply to the shipping sector.	Physical: IPCC SSP1-2.6: projected global temperature increases of 1.3°C–2.4°C by 2100. Transition: IEA Net Zero Emissions Scenario – 1.5°C; UMAS – 1.5°C; IMO – 1.5°C to below 2°C.
Medium-emission (most likely) scenario	Physical climatic impacts are more severe than in the low-emission scenario but less severe than in the high-emission scenario. Significant emission reductions occur within electricity generation, despite a doubling of demand driven by increased electrification. Transport and industry see a less-marked fall in emissions, with increased energy demand in regions without net zero pledges partially offsetting emissions reduction.	Physical: IPCC SSP2-4.5: projected global temperature increase of 2.1°C–3.5°C by 2100. Transition: IEA Announced Pledges Scenario – 1.7°C.
High-emission (worst-case) scenario	Physical climatic impacts are more severe than in the medium-emissions scenario. The energy mix of fossil fuels falls slightly, although overall energy demand is increased, driven by growing populations, higher incomes and rising temperatures increasing demand for space cooling (e.g. air conditioning).	Physical: IPCC SSP5-8.5: projected global temperature increase of 3.3°C–5.7°C by 2100. Transition: IEA Stated Policies Scenario – 3.5°C.

3 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

3 Risk management

Process for identifying and scoring risks

Climate risk considerations are built into the Group risk management framework, which is applied across our business units. Risks are identified and assessed against the Group risk assessment matrix, which scores frequency and probability of risks against their impact. An ESG category is included within the risk assessment matrix used across the Group, ensuring ESG considerations (including climate-related impacts) are captured. Climate-related risks are scored based on the significance of their financial, operational and regulatory impact, consistent with other categories of risk.

Climate-related risks are documented alongside key controls used to mitigate risk.

Process to manage climate-related risks

Climate-related risks are considered at a business unit level by management and reported to the relevant boards and risk committees. Risks are escalated as required. ESG and climate change are treated as one of Saga's PRUs, which are considered by the Risk Committee, comprising three Non-Executive Directors.

The Board sets risk appetite and associated metrics. Where risks are considered out of appetite, or where mitigation measures are insufficient, actions are assigned to resolve this.

Risk appetite status and action plans to resolve out-of-appetite risks are reported to the Risk Committee on a regular basis.

Accountability for management of climate-related risks is held by the relevant business unit leadership team and, at the Group level, by the Group CEO.

Find out more in risk management on pages 47-48

4 Metrics and targets

Our published set of ESG targets focus on the key themes of our ESG strategy, including acting on climate change. Our executive remuneration plans are partially tied to performance against these ESG targets, which include the following:

- Identify material Scope 3 greenhouse gas (**GHG**) categories and calculate and report against these by December 2024.
- Develop a net zero pathway and net zero target.
- Maintain an A-rating on our owned ships in the Energy Efficiency Existing Ship Index (**EEXI**) and Carbon Intensity Indicator (**CII**) ratings up to December 2026 and investigate ways to improve EEXI and CII scores beyond December 2026.
- Introduce shore power capability on 100% of our River and Ocean Cruise vessels by December 2025.

Saga uses a cross-industry GHG emissions metric (tonnes of carbon dioxide equivalent (**tCO_2e**) per unit of Trading EBITDA[4]), and we continue to develop our capability in understanding our emissions performance and areas for improvement.

We made progress in identifying and calculating material Scope 3 emissions, to inform our carbon baseline for net zero planning, and we continue to calculate and report emissions in alignment with the GHG Protocol and UK Government conversion factors for company reporting. Further detail is available in our Streamlined Energy and Carbon Report (**SECR**) below.

We signed the SBTi commitment letter, confirming our intent to set a net zero target by the end of 2025. Meanwhile, we will continue to maintain the strong performance of our Cruise fleet in line with the EEXI and CII ratings, while retro-fitting carbon-efficient technologies to our vessels.

The introduction of shore power capability on our River and Ocean Cruise vessels is likely to be delayed due to hardware supply issues.

Find out more about our ESG KPIs and targets, including GHG emissions, in our 2025 ESG Report

Energy and carbon statement

Saga reports all emissions sources within its operational boundary pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government's policy on SECR.

Further reporting on Scope 3 emissions and energy efficiency is available in our 2025 ESG Report.

Methodology

Emissions calculations were based on the UK Government's Environmental Reporting Guidance (2013), the GHG Protocol (2004:2015) and the UK Government's GHG Conversion Factors for Company Reporting (2024).

In limited instances, where primary data for purchased energy was not available, assumptions were made based on averages for surrounding months within the same site to account for energy performance and seasonal variation.

Greenhouse gas emissions in tCO_2e

Emissions scope	2024/25	2023/24
Scope 1[5]	**107,015[5]**	109,647[6]
Scope 2 (location-based)	**751**	1,061
Scope 2 (market-based)	**219**	307
Scope 3 (business travel)	**126**	101
Total Scope 1, 2 (location-based) and 3 (business travel)	**107,892**	110,809[6]
Scope 1, 2 (location-based) and 3 (business travel) emissions intensity per £m Trading EBITDA[4]	**787**	951[6]

4 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

5 Includes fugitive refrigerant emissions of 3,110 tCO_2e (2024/25) and 73 tCO_2e (2023/24) outside the required scope of SECR requirements, reported on a voluntary basis. This increase in emissions associated with refrigerants was due to better reporting and data collection associated with cruise ship refrigerant gases

6 Figures restated to account for the use of FAME fuels more accurately within Scope 1 emissions associated with marine fuel

Environmental, Social and Governance continued

Emissions summary and rationale

Saga's 2024/25 SECR-aligned emissions footprint (covering fuel combusted in Company controlled and owned vehicles and sites, purchased electricity and business travel related to rented vehicles) was 107,892 tCO_2e, with an intensity of 787 tCO_2e per £m Trading EBITDA[7]. Our combined Scope 1 and 2 footprint was 107,766 tCO_2e. Total energy consumption was 379,681 megawatt hours.

Between 2024 and 2025, the emissions intensity of UK grid electricity changed by less than 0.1% due to there being no significant changes in the power supply. The average temperature across the reporting period decreased from 9.97 to 9.78 degrees Celsius.

During the reporting period, our emissions associated with methane (**CH_4**) from marine fuel totalled 45 tCO_2e, our nitrous oxide (**N_2O**) emissions totalled 1,252 tCO_2e and sulphur (**S**) totalled 156 tCO_2e. These all reduced from 2023/24, in line with the reduction in marine fuel used on Spirit of Adventure and Spirit of Discovery.

Emissions (tCO_2e)	2024/25	2023/24
CH_4	**45**	47
N_2O	**1,252**	1,316
S	**156**	161

We continued to trial the use of a FAME 5% biofuel mix across 464 tonnes of fuel in our cruise vessel, Spirit of Adventure.

Per tonne of fuel, this reduced emissions by 7% compared with marine gas oil and 4% when compared with marine fuel oil.

The IEA and International Renewable Energy Agency predict that FAME will become a more viable fuel alternative as production and yield improve towards 2030.

DEI&B

Noting the targets set out in UKLR 6.6.6R(9), the Board is committed to improving its diversity in the coming years. At 31 January 2025, female Board representation was 22%, below the 40% recommendation of the FTSE Women Leaders Review, while the Board met the Parker Review recommendation that one Non-Executive Director identify as being from an ethnically diverse background.

We do not yet meet the recommendation that at least one of the CEO, Chief Financial Officer (**CFO**), Senior Independent Director (**SID**) or Chair roles be held by a woman.

We set externally published targets to develop female representation on the Board to at least 40% by 2027, and to maintain at least one Director from an ethnically diverse background by the same date.

In accordance with the UKLR, the tables below detail the diversity profile of the Board and executive management.

This data was collated from our colleague database, populated using information provided by each individual at recruitment or during our diversity data collection exercise. Our colleagues are asked to select their relevant characteristics on both sex/gender and ethnicity.

The Nomination Committee Report on pages 69-70 sets out further detail on our approach to Board diversity.

Gender pay report

We support the UK Government's ambition to address the gender pay gap. Our report detailing our gender pay gap and commitments can be found on our website (www.saga.co.uk/gender-pay-review).

We set a target to increase female representation across leadership positions to 50% by 2027.

Colleague gender identity or sex

	Number of colleagues[8]	Percentage of colleagues	Number of senior managers[9]	Percentage of senior managers[9]
Men	1,960	56%	24	56%
Women	1,538	44%	19	44%
Not specified/prefer not to say	–	–	–	–

Board and executive gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management[10]	Percentage of executive management[10]
Men	7	78%	4	8	80%
Women	2	22%[11]	–	2	20%
Not specified/prefer not to say	–	–	–	–	–

Board and executive ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management[10]	Percentage of executive management[10]
White British or other White (including minority-white groups)	8	89%	4	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	11%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

7 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation
8 Includes all colleagues, senior management, executive management and Board at 31 January 2025
9 While Provision 23 of the UK Corporate Governance Code defines 'senior management' as the layer below the Board and the Company Secretary and their direct reports, we believe it most appropriate to disclose the gender balance of our Operating Board and Senior Leadership Team, at 31 January 2025
10 Defined as the Operating Board members and Company Secretary in accordance with UKLR 6.6.6R(10)
11 Peter Bazalgette, Senior Independent Director, and Steve Kingshott, Executive Director, both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with wholly owned UK subsidiaries of Ageas SA/NV and reflect the Group's new simplified business model. At the date of signing this report, female representation on the Board was 29%

Risk management

EFFECTIVELY MANAGING OUR RISKS

Board assessment of risk management and internal control

Our Board has ultimate responsibility for the Company's risk management, internal control and risk culture. It is also responsible for regularly reviewing the effectiveness of risk management and control systems, ensuring that there is an ongoing systematic process for identifying, evaluating, and managing the emerging and principal risks faced by Saga.

This system accords with the Financial Reporting Council guidance on risk management, internal control and related financial and business reporting, and was in place for the year under review and up to the date of approval of this Annual Report and Accounts.

Risk maturity is measured, and all business units seek to continuously improve their maturity over time, in line with the targets set. Risk objectives are set for all members of the Operating Board, with an end-of-year assessment against the achievement of these objectives.

Our governance framework

Effective risk management and control is achieved through application of the 'three lines of defence' model as follows:

Governing body
Accountability to stakeholders for Group oversight

Governing body roles: integrity, leadership and transparency

Management
Actions (including managing risk) to achieve organisational objectives

1st line roles
Provision of products/services to customers and managing risk

2nd line roles
Expertise, support, monitoring and challenge on risk-related matters

Internal Audit and Assurance (IAA)
Independent assurance

2nd and 3rd line roles[1]
Independent and objective assurance and advice on all matters related to the achievement of objectives

Expertise, support, monitoring and challenge on risk-related matters

EXTERNAL ASSURANCE PROVIDERS

Risk framework

Saga has developed its risk management framework to best suit the diversity of its business units, regulatory requirements and industry standards. This ensures the required levels of risk maturity are maintained in our financial services businesses, while enabling our Cruise and Holidays[2] businesses to put more focus on the risk framework elements which are appropriate for their business.

Our risk management framework is made up of the following: risk strategy and plan; risk governance; risk appetite; incident management; and risk and control registers. Risk maturity against each element of the risk framework is assessed for each business unit (**BU**) and Group function, with plans in place to ensure continual improvement.

Risk strategy and plan

Our risk strategy and plan, which are aligned with our overarching strategy, are considered and approved annually.

Risk governance

The main consideration within risk governance is the Board management of risk and the subsequent delegation to risk committees and other governance forums. This ensures that risk is managed effectively and that there is appropriate oversight through reporting and accountability defined within each committee's Terms of Reference and, where applicable, through the application of the Senior Managers and Certification Regime. Additionally, the suite of Saga risk policies, including, but not limited to, conduct risk, incident management and internal control, define our risk management framework and high-level expectations of the 1st and 2nd line in respect of risk management activity.

Incident management

The 1st line business areas are responsible for raising risk incidents identified in a timely manner, conducting appropriate root cause analysis to prevent recurrence, and resolving incidents promptly. The 2nd line oversees this activity to ensure appropriate resolution of incidents, fair customer outcomes, and that the process is managed in line with policy.

1 2nd and 3rd line roles for AICL, SSL and SPF are separated in line with professional and best practice standards
2 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Risk management continued

Risk and control registers

Each BU and Group function is responsible for identifying and managing its risks and associated key controls, which are captured on risk and control registers and scored using a risk matrix that rates risk against both likelihood and severity. Key controls are subject to design and operational effectiveness testing by the business and validated through periodic 2nd line assurance reviews, with action taken where controls are found to be ineffective. Our risk registers help to identify the top risks facing the various companies, which in turn inform our principal risks and uncertainties.

Risk appetites

Saga's Board-approved appetite statements focus on the most key areas of risk for Saga, providing our Board with visibility and oversight of our exposure to these risks compared with appetite. In particular, the Board oversight ensures that we promptly and appropriately respond to any risks which are out of appetite, or which are moving towards becoming out of appetite. Our risk appetites are designed to support the achievement of our strategy, and to be used in key decision-making.

Risk maturity

Each BU is assessed periodically against our risk maturity matrix across both the 1st and 2nd lines of defence, with actions agreed, and tracked, through to closure for any areas where there is a desire to increase risk maturity.

Process feedback

Outputs from the risk management cycle are fed back to our risk committees and boards by exception to ensure that the risk framework remains effective and supports our strategy, business model and decision-making processes.

Independent process assurance

Saga's IAA function is positioned centrally within the Group, operating independently of the BUs. It is therefore able to provide independent assurance of the effectiveness of the risk management procedures.

The objective of IAA is to help protect the assets, reputation and sustainability of the organisation by providing independent, reliable, valued and timely assurance to the Board and Operating Board. To preserve the independence of the function, the IAA Director's primary reporting line is to the Chair of the Audit Committee and the Internal Audit team is prohibited from performing operational duties for the business. For risk management responsibilities, the IAA Director also has an independent reporting line into the Chair of the Risk Committee.

All activities of the Company fall within the remit of the IAA team, and there are no restrictions on their work. IAA fulfils its role and responsibilities by delivering the annual risk-based audit plan. Each audit provides an opinion on the control environment and details of any issues found. IAA works with the BUs to agree the remedial actions necessary to improve the control environment and these are tracked to completion. The Head of Internal Audit submits reports to, and/or attends, board and audit committee meetings for the BUs, with the IAA Director reporting to the Audit and Risk Committees.

Statement of review

As a result of its consideration and contribution to risk management and internal control activities, the Board is satisfied that there is an appropriate framework for identifying, evaluating, and managing the Group's risks and internal controls and it is regularly reviewed. The Board's statement of review of the effectiveness of Saga's risk management and internal control system is set out on page 57.

Our risk management framework and systems are designed to manage, rather than eliminate risk, and operate to facilitate the achievement of our business objectives within our stated risk appetites.

There was regular reporting to the Audit and Risk Committees throughout the year on the status and evolution of Saga's risk framework.

"I love being a company for our older generation, I feel proud to be able to look after this generation."

Anonymous
Colleague survey, December 2024

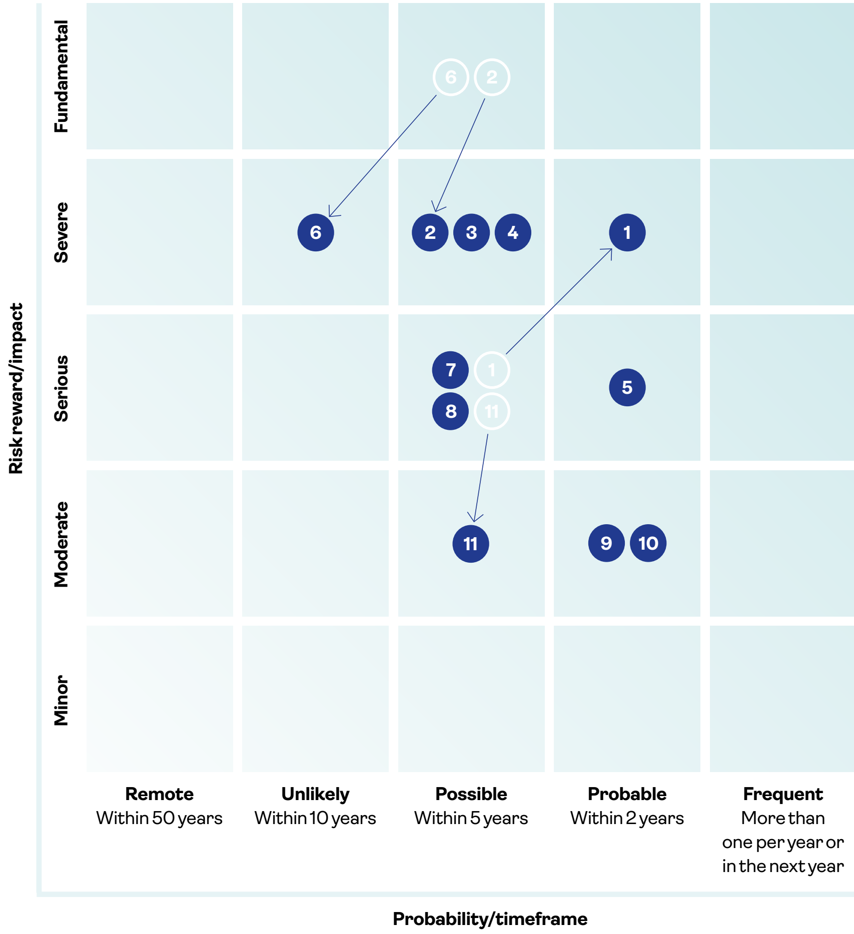
Principal risks and uncertainties

MITIGATING EACH RISK

The matrix shows the principal risks and uncertainties (**PRUs**) facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

The arrows on the heatmap show any movement in the PRUs from the last published Annual Report and Accounts.

The table on the following pages also includes the mitigating actions taken to manage these risks. The trend denotes the anticipated future direction of each risk after mitigation, which is influenced by known key external or internal factors. Saga takes a 'bottom-up' and 'top-down' approach to developing and reviewing its PRUs, which occurs at least twice a year with oversight from the Operating Board and the Board. Each PRU is aligned to the most relevant strategic priorities.



"The PRUs were reviewed at each meeting and refreshed regularly during the year, ensuring that new and emerging risks and opportunities were captured and remained at the forefront of the Group's strategic planning."

Julie Hopes
Chair, Risk Committee

Key risk category

A Strategic B Operational C Insurance D Financial

Our risks

1	Insurance pricing underwriting and claims risk	B C
2	Cyber	B
3	Regulatory action	B
4	Third-party suppliers	B
5	Delivery and execution	B
6	Liquidity risk/debt refinancing	D
7	Breach of Data Protection Act (**DPA**)/General Data Protection Regulation (**GDPR**)	B
8	Organisational resilience	B
9	Capability and capacity	B
10	Fraud and financial crime	B
11	Environmental, Social and Governance (**ESG**)	A B

Principal risks and uncertainties continued

1 Insurance pricing underwriting and claims risk

Description

Risk that uncertainty in the Insurance Broking and Underwriting businesses leads to material pricing, reserving and/or underwriting issues that have significant financial impact and/or customer harm.

Mitigation

Defined risk appetite statements and indicators, which are rigorously monitored.

Defined strategy and metrics, with appropriate governance, monitoring and reporting.

The Ageas transaction is expected to change the nature of this risk, and reduce the risk exposure.

Risk trend[1] Stable

Risk owner CEO of Insurance

Link to strategy 1

Scope Insurance

Risk category B C

2 Cyber

Description

Risk that a cyber security breach occurs due to failures in keeping pace with external threat actor capabilities and regulatory expectations, resulting in system lockdown, ransom demands and/or compromise of substantial data. This could result in customer/colleague compensation and regulatory sanctions.

Mitigation

Robust vulnerability management programme, including controls to actively detect and respond to incidents, industry benchmarking and external penetration testing to maintain security posture.

Risk trend[1] Improving

Risk owner Chief Information Officer (**CIO**)

Link to strategy 1 B

Scope Saga plc

Risk category B

3 Regulatory action

Description

Risk of customer harm due to our actions/in action or failure to implement regulatory change correctly, which could result in customer remediation, or regulatory scrutiny, and/or sanction.

Mitigation

Robust controls, governance and reporting is in place to ensure regulatory compliance and that good customer outcomes are achieved.

Risk trend[1] Improving

Risk owner Group and business unit (**BU**) Chief Executive Officers (**CEOs**)

Link to strategy 1 B

Scope Insurance and Travel

Risk category B

4 Third-party suppliers

Description

Risk of business interruption, financial loss and reputational damage arising from loss of key third parties or a failure to manage and control the performance of third parties.

Mitigation

Robust supplier risk management framework ensures third-party partners are appropriately selected and monitored, including their operational and financial resilience.

Risk trend[1] Stable

Risk owner Group Chief Financial Officer (**CFO**) and BU CEOs

Link to strategy 1 2 3

Scope Saga plc

Risk category B

Key

- 1 Maximising the growth of our existing businesses[2]
- 2 Driving incremental growth through new business lines and products[2]
- 3 Growing our customer base and deepening those relationships[2]
- 4 Reducing debt, while simplifying our operations[2]
- B Threat to business model

Risk trend[1]
- Improving
- Stable
- Worsening

1 Risk trend represents the current view of the future three-month trend, and not the trend relative to the last published Annual Report and Accounts

2 Since the year end, the strategic pillars evolved, reflecting the strategic progress made of the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships

5 Delivery and execution

Description

Risk that key business change initiatives fail to be delivered effectively, or at all, due to one or a combination of the following:

- resource capability or capacity;
- unexpected business as usual risk issues;
- new regulation; or
- material defects in the delivery.

Mitigation

Robust change governance to ensure achievement of strategically significant change.

Risk trend[3]

Risk owner
Group and BU CEOs

Link to strategy
1 2 3

Scope
Saga plc

Risk category
B

6 Liquidity risk/debt refinancing

Description

The Group relies on a number of sources of funding and, as such, is exposed to the risks associated with repaying or refinancing this funding as it reaches maturity.

Mitigation

Robust financial controls and reporting to assess liquidity and support early identification of potential risks to Group liquidity.

Refinancing the Group's corporate debt has reduced the risk exposure.

Risk trend[3]

Risk owner
Group CFO

Link to strategy
2 4 B

Scope
Saga plc

Risk category
D

7 Breach of DPA/GDPR

Description

Risk that Saga fails to process and manage customer data in accordance with their expectations and in alignment with GDPR and DPA 2018. This could be caused by non-compliant data management practices, inappropriate use of consent or colleagues not adhering to regulatory obligations. This could result in customer harm, compensation costs, reputational damage and Information Commissioner's Office fine.

Mitigation

Robust controls, governance and reporting is in place to ensure compliance.

Risk trend[3]

Risk owner
Chief Data and Strategy Officer

Link to strategy
1 3 B

Scope
Saga plc

Risk category
B

8 Organisational resilience

Description

Risk of failure in one or more key resources, supporting critical services or operations, and inability to respond and recover within defined parameters. This could be caused either by an internal or external shock or stress and could be exacerbated by the complex, dynamic risk environment and ongoing change and transformation.

Mitigation

Defined strategy and plans to maintain organisational resilience, including response and recovery planning, capability and coordination plans, testing and crisis management tools.

Risk trend[3]

Risk owner
CIO and BU CEOs

Link to strategy
1 3 4

Scope
Saga plc

Risk category
B

9 Capability and capacity

Description

Risk that the capability and capacity of colleagues does not align to the significant organisational change needed to deliver strategic objectives due to failures in talent management, in line with strategy.

Mitigation

Competitive employment packages, with continued investment in pay, wellbeing and talent management to attract, develop and retain capability in key roles, develop future leaders and drive internal career progression.

Risk trend[3]

Risk owner
Group CEO and Chief People Officer (**CPO**)

Link to strategy
1 2 4

Scope
Saga plc

Risk category
B

3 Risk trend represents the current view of the future three-month trend, and not the trend relative to the last published Annual Report and Accounts

Principal risks and uncertainties continued

10 Fraud and financial crime

Description

Risk that we experience increased internal or external fraud and financial crime, driven by remote working, changes within the Group and general macroeconomic conditions. This could result in financial loss and potential regulatory/legal sanction.

Mitigation

Financial crime framework and robust controls, which are rigorously monitored and reported on.

Risk trend[4] Stable

Risk owner
Group CFO and BU CEOs

Link to strategy
1

Scope
Saga plc

Risk category
B

11 ESG

Description

Risk that Saga does not maintain compliance with increasing ESG-related regulation or fails to deliver on its stated ESG strategy in line with stakeholder expectations, due to a lack of resource and/or business engagement, causing reputational, customer and financial impacts.

Mitigation

Actively delivering against the ESG strategy, with robust governance controls for ESG. Ongoing monitoring and reporting against all targets to the ESG Governance forums.

Risk trend[4] Stable

Risk owner
CPO

Link to strategy
1 3

Scope
Saga plc

Risk category
A B

Key

1 Maximising the growth of our existing businesses[5]

2 Driving incremental growth through new business lines and products[5]

3 Growing our customer base and deepening those relationships[5]

4 Reducing debt, while simplifying our operations[5]

B Threat to business model

Risk trend[4]
- Improving
- Stable
- Worsening

4 Risk trend represents the current view of the future three-month trend, and not the trend relative to the last published Annual Report and Accounts

5 Since the year end, the strategic pillars evolved, reflecting the strategic progress made over the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships

Viability Statement

The Directors considered the viability of the Group over the five years to January 2030. This period was selected as the most appropriate timeframe as it:

a) is consistent with the planning horizon over which the Directors normally consider the future performance, capital and solvency requirements of the business;

b) includes the refinancing of the Group's corporate debt facilities in 2025; and

c) includes consideration of the annual repayment obligations relating to the Group's ship debt facilities over this timeframe.

In making this statement, the Directors considered the resilience of the Group, taking account of its current position, the principal risks facing the business in severe but plausible scenarios and the effect of mitigating actions available to management.

The Directors considered each of the Group's principal risks and uncertainties (**PRUs**) detailed on pages 49-52 to determine which might threaten the Group's ongoing viability. Severe but plausible outcomes for each were identified, with an estimate of the potential financial impact quantified. Assessments of the potential financial impact were derived from internal calculations and examples of similar incidents in the public domain. In assessing the viability of the Group, the Directors considered appropriate management actions that may be taken to manage the solvency of the Group in the event of severe but plausible downside scenarios. The assessment reflects the early refinancing of the £250.0m unsecured corporate bond and the £85.0m loan facility provided by Roger De Haan that took place in February 2025, through drawdown against the new £335.0m term loan facility. The assessment also assumes that, in severe but plausible stressed scenarios, further drawdowns against the Group's new £50.0m Revolving Credit Facility and £100.0m delayed-draw term loan facility may be necessary.

The PRUs have been modelled individually, as a probability-weighted average of all possible scenarios and as a combination of the top three risks identified.

The three largest sensitivities, in terms of financial impact, were identified as the following:

1. Delivery and execution risk in our Cruise division: the risk of key business change initiatives failing to be delivered effectively. This was modelled as the impact of a 10% reduction in Ocean Cruise load factors across the assessment period.
2. A breach of the Data Protection Act/ General Data Protection Regulations (**GDPR**): This was assessed through modelling the impact of a GDPR fine equating to 2% of revenue in any year of the assessment.
3. Operational resilience: pandemic or business disruption arising from an unforeseen event impacting Cruise itineraries. This was assessed through modelling the impact of one of our Ocean Cruise ships and one of our River Cruise ships being involved in an incident, resulting in the cancellation of cruises for 75 days and consequent lost revenue in any year of the assessment; in addition to modelling the impact of a major incident or civil unrest in a key Holidays[1] destination, resulting in all bookings to that destination being cancelled for six months.

Reverse stress testing was also conducted to ascertain which PRU, or combination of PRUs, might lead to a breach of covenant and cash flow solvency thresholds.

The outcome of the modelling confirmed that none of the top three PRUs in isolation would compromise the Group's viability and, even in combination, the Group could expect to be able to meet its debt covenants and retain access to all available facilities across the full assessment period. The reverse stress test demonstrated that the likelihood of occurrence of a combination of PRUs sufficiently severe as to cause a breach of debt covenants, or to fall below minimum solvency thresholds, is remote.

Based on the above assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next five years.

1 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Key disclosure statements

Non-financial and sustainability information statement

An overview of our approach to environmental, colleague, social, human rights, anti-corruption and anti-bribery matters, including where additional information can be found elsewhere in this report or in our policies, can be found in the table below.

Details of our business model can be found on pages 20-21, and our principal risks and uncertainties are on pages 49-52. Our standalone Environmental, Social and Governance (**ESG**) Report, alongside key policies and further reading can be found on our corporate website (www.corporate.saga.co.uk/about-us/environmental-social-and-governance).

Reporting requirement	Our approach, key policies and outcomes	More information
Environmental matters	• Our ESG strategy defines our approach to environmental matters, including a focus on carbon emissions, oceans and biodiversity. Our ESG strategy was informed by a double materiality assessment and includes key performance indicators and targets to drive progress. • We have an ESG Champion on our Board and an established ESG Steering Committee, tasked with supporting delivery of the ESG strategy. **Outcome** • Successfully conducted a cruise ship biofuel trial, which confirmed compatibility of our ocean ships with lower emissions biofuels. • Launched our charity partnership with Kent Wildlife Trust. • Partnership with marine conservation charity, ORCA. • ESG matters are considered an important part of all strategic discussions.	**Environmental, Social and Governance on pages 39-46** **2025 ESG Report**
Climate-related financial disclosures	• Our Task Force on Climate-related Financial Disclosures (**TCFD**) report provides details of our climate-related governance arrangements; risks and opportunities; and targets. • Completed TCFD-aligned climate change scenario analysis and risk assessment. **Outcome** • TCFD targets set and monitored closely, ensuring compliance with regulation.	**Environmental, Social and Governance on pages 39-46** **2025 ESG Report**
Colleagues	• Our Diversity, Equity, Inclusion and Belonging (**DEI&B**) Policy commits us to create a truly inclusive culture, where all colleagues can bring their authentic selves to work. • We remain a committed member of the UK Disability Confident scheme and support the advancement of employment for disabled persons in the UK. • Our Health and Safety Policy contains a clear set of principles and commitments which apply to all colleagues, contractors and members of the public. • We are inclusive of age through our Grandparents' Leave and Menopause policies. **Outcome** • Participation rate in our most recent colleague engagement survey was 93%, with the score increasing from 6.6 out of 10, to 7.9. • Our colleague diversity survey launched in May 2024, with a 44% participation rate. • Increased female representation in leadership positions from 42% to 44%. • Made progress towards our aim of being 'Champions of Age' at work in the UK, with 95% of colleagues now trained on the basics of ageing. • An inclusive culture, which benefits from diversity of thought. Colleagues understand our purpose and feel comfortable to voice their opinions.	**Environmental, Social and Governance on pages 39-46** **2025 ESG Report** **DEI&B Policy**
Social matters	• We seek to understand and carefully consider our impact within our communities. We ensure open dialogue with the community so they are aware of our strategy, as well as any impact to them. • We promote colleague involvement in the community through our Public Duties Policy, Reservist Policy and through giving all colleagues paid time off to volunteer within the community. **Outcome** • Over £6.1k charitable donations made during the year. • 114 colleagues used their volunteer day, equivalent to 798 hours donated. • Saga takes the needs of the communities in which we operate into account and enables colleagues to contribute.	**Environmental, Social and Governance on pages 39-46** **2025 ESG Report**
Respect for human rights	• We support the rights of all people as set out in the Universal Declaration of Human Rights. Our Labour Standards Policy sets out the human rights principles adopted across the Group, alongside our commitments to working responsibly and with integrity. • Our Modern Slavery Statement provides detail on our approach to risk, due diligence, policies, training and audit in this area. • Our Supplier Code of Conduct establishes the types of behaviour Saga expects from any entity that supplies products or services to the Saga Group. **Outcome** • No incidents of human rights violations or modern slavery were identified in 2024/25. • Our colleagues, suppliers and their employees are protected and our stakeholders are reassured by our high standards.	**Labour Standards and Human Rights Policy** **Modern Slavery Statement** **Supplier Code of Conduct**
Anti-bribery and anti-corruption	• Our zero-tolerance approach to bribery and corruption is set out in our Anti-Bribery and Corruption Policy, setting out clear guidance for the assessment of risk of bribery and corruption across our business. • All colleagues receive mandatory training on anti-bribery and anti-corruption. • Our Supplier Code of Conduct establishes the types of behaviour Saga expects from any entity that supplies products or services to the Saga Group. **Outcome** • There were no fines, penalties or settlements for corruption reported in 2024/25. • Our stakeholders can be assured that we operate a zero tolerance approach.	**2025 ESG Report** **Anti-Bribery and Corruption Policy** **Supplier Code of Conduct**

Section 172(1) statement

Duty to promote the success of the Company

The Directors had regard for the matters set out in Section 172(1)(a)–(f) of the Companies Act 2006 (**S172(1)**) when performing their duty under Section 172. The Directors consider that they acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also having regard to the S172(1) matters referred to below.

A description of how the Board engages with its key stakeholders can be found on pages 22-23 and the principal decisions made by the Board during 2024/25, how stakeholders were considered and the likely consequences of these decisions over the longer term are set out on pages 62-65. Further information on how S172(1) has been applied by the Board can be found in the table below.

S172(1) matter	Further information incorporated into this statement by reference	
Likely consequences of any decision in the long term	Chairman's Statement **Pages 6-7** Group Chief Executive Officer's Strategic Review **Pages 8-13** Environmental, Social and Governance **Pages 39-46** Principal risks and uncertainties **Pages 49-52** Chairman's introduction to governance **Pages 58-59**	Board activities **Pages 62-65** Nomination Committee Report **Pages 69-70** Audit Committee Report **Pages 71-74** Risk Committee Report **Pages 75-76** Directors' Remuneration Report **Pages 77-93**
The interests of the Company's employees	Group Chief Executive Officer's Strategic Review **Pages 8-13** Market review **Pages 18-19** Purpose and business model **Pages 20-21** Engaging with stakeholders **Pages 22-23** Environmental, Social and Governance **Pages 39-46** Principal risks and uncertainties **Pages 49-52**	Chairman's introduction to governance **Pages 58-59** Board activities **Pages 62-65** Division of responsibilities **Page 67** Nomination Committee Report **Pages 69-70** Audit Committee Report **Pages 71-74** Directors' Remuneration Report **Pages 77-93**
The need to foster the Company's business relationships with suppliers, customers and others	Chairman's Statement **Pages 6-7** Group Chief Executive Officer's Strategic Review **Pages 8-13** Purpose and business model **Pages 20-21** Engaging with stakeholders **Pages 22-23**	Environmental, Social and Governance **Pages 39-46** Principal risks and uncertainties **Pages 49-52** Board activities **Pages 62-65**
Impact of the Company's operations on the community and environment	Engaging with stakeholders **Pages 22-23** Environmental, Social and Governance **Pages 39-46**	Board activities **Pages 62-65**
The Company's reputation for high standards of business conduct	Group Chief Executive Officer's Strategic Review **Pages 8-13** Environmental, Social and Governance **Pages 39-46** Risk management **Pages 47-48**	Board activities **Pages 62-65** Risk Committee Report **Pages 75-76**
The need to act fairly as between members of the Company	Engaging with stakeholders **Pages 22-23** Chairman's introduction to governance **Pages 58-59** Board activities **Pages 62-65**	Board leadership and Company purpose **Page 66** Directors' Remuneration Report **Pages 77-93**

This Strategic Report is presented to inform members of the Company and help them assess how the Directors have performed their duty under S172(1). It has been approved by the Board and signed on its behalf by

Mike Hazell
Group Chief Executive Officer
15 April 2025

CORPORATE GOVERNANCE STATEMENT

Governance at a glance

IN THIS SECTION

Governance

Corporate Governance Statement

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58	Chairman's introduction to governance
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62	Board activities
66	Board leadership and Company purpose
67	Division of responsibilities
68	Composition, succession and evaluation
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75	Risk Committee Report

Directors' Remuneration Report

77	Annual Statement
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94	**Directors' Report**
97	Statements of responsibilities

98	**Independent Auditor's Report to the Members of Saga plc**

Board activities

Maximising the growth of our existing businesses[1]

- Considered options to support our existing businesses in their strategic growth, including enhancement of customer offerings in Travel[2] and partnerships in Money.

Driving incremental growth through new business lines and products[1]

- Built awareness of our newer Saga Money products and took action to drive growth in customer acquisition.

Growing our customer base and deepening those relationships[1]

- Expanded the Saga Magazine customer reach.

Reducing debt, while simplifying our operations[1]

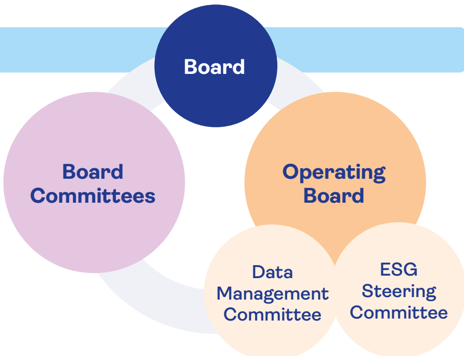
- Agreed a 20-year partnership with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**) for our motor and home Insurance Broking operations alongside the sale of Acromas Insurance Company Limited (**AICL**).
- Successful refinancing of the Group's corporate debt, having secured new facilities.

Find out more in Board activities on pages 62-65

Governance framework

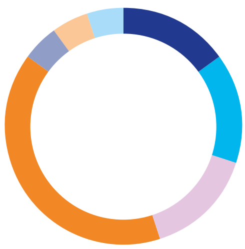
Our governance structure remains streamlined, enabling effective Board oversight.

Find out more in division of responsibilities on page 67



Board allocation of time during the year

Maximising the growth of our existing businesses[1]	c.15%
Driving incremental growth through new business lines and products[1]	c.15%
Growing our customer base and deepening those relationships[1]	c.15%
Reducing debt, while simplifying our operations[1]	c.40%
People and culture	c.5%
Oversight of risk management	c.5%
Environmental, Social and Governance (**ESG**)	c.5%



1 Since the year end, the strategic pillars evolved, reflecting the strategic progress made over the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships

2 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

Key statements and Application of the UK Corporate Governance Code

Key statements

Compliance Statement The Board is committed to high standards of corporate governance and, during the year, managed Saga's operations in accordance with the UK Corporate Governance Code 2018 (the **Code**). A full version of the Code can be found on the Financial Reporting Council's website (www.frc.org.uk). Saga publishes an annual UK Corporate Governance Code Statement, providing further detail on the application of the Code. This is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Viability Statement The Viability Statement can be found in the Strategic Report on page 53.

Going concern The going concern basis of preparation can be found in Note 4 of the financial statements on page 102.

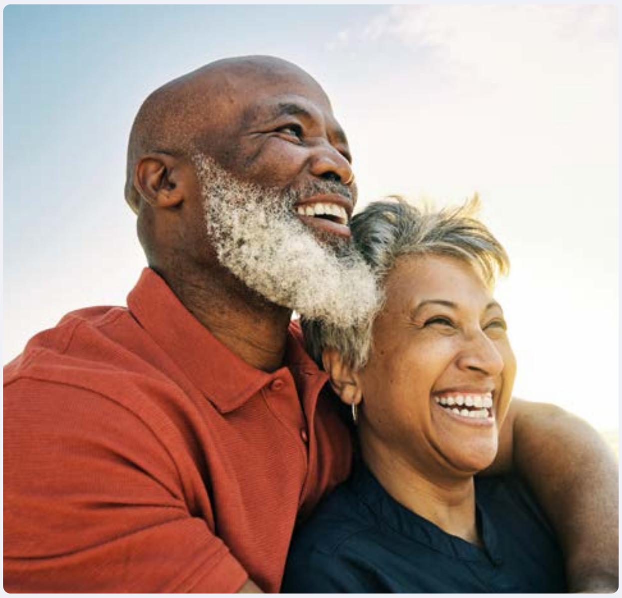
Fair, balanced and understandable In accordance with the Code, the Board has established arrangements to evaluate whether the information presented in the Annual Report and Accounts is fair, balanced and understandable. Having taken advice from the Audit Committee, the Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Assessment of risk Through the risk management process detailed on pages 47-48, the Board can confirm that it has carried out a robust assessment of the emerging and principal risks facing the Company, including those which would threaten our business model, future performance, solvency or liquidity and reputation.

Statement of review The risk management process detailed on pages 47-48 was in place for the year under review and up to the date of approval of this report. The Board recognises the importance of appropriate systems of internal control and risk management. The Group operates a 'three lines of defence' risk management framework, overseen and monitored by the Risk Committee (see pages 75-76) and Audit Committee (see pages 71-74). Work conducted by 2nd and 3rd lines, while identifying some areas for improvement, provided reasonable assurance that the systems of risk management and internal control were broadly effective.

Section 172(1) The Section 172(1) statement can be found in the Strategic Report on page 55.

2024 Corporate Governance Code The Company established a Corporate Governance Steering Committee as a management group to address the changes to the Code. Further information can be found on pages 59 and 72.



Application of the UK Corporate Governance Code

The Company seeks to comply with the Principles set out in the Code, promoting good corporate governance to support the long-term sustainable success of the Group.

Board leadership and Company purpose

	Read more on pages
A. Board effectiveness	68
B. Purpose, values, strategy and culture	1-23, 39-46 and 66
C. Board decision-making	58-59 and 62-65
D. Engagement with stakeholders	22-23, 55 and 62-65
E. Oversight of workplace policies and practices	40, 53, 66-67, 68 and 73

Division of responsibilities

F. Role of the Chair	66 and 68
G. Independence and division of responsibilities	66-67
H. External commitments and conflicts of interest	60-61
I. Board resources	62 and 67-68

Composition, succession and evaluation

J. Appointments to the Board and succession planning	58-59 and 69-70
K. Board composition and length of tenure	60-61 and 68
L. Board and individual evaluation	68 and 70

Audit, risk and internal control

M. Financial reporting External audit and internal audit – independence and effectiveness	71-74
N. Fair, balanced and understandable assessment	57 and 73
O. Risk management and internal controls	42, 47-48, 57 and 75-76

Remuneration

P. Remuneration philosophy	77-79
Q. Directors' Remuneration Policy	92-93
R. Annual Report on Remuneration	82-93

The Board believes that, during the reporting period, the Company was in full compliance with all applicable Principles and Provisions of the Code, save that:

- **Provision 3:** While the Non-Executive Chairman did meet with some shareholders during the year on request, as he is a significant shareholder, it was determined that it would be more appropriate for the Group Chief Executive Officer (**CEO**) and Group Chief Financial Officer (**CFO**) to regularly engage with major shareholders.
- **Provision 9:** Due to his shareholding in the Company, the Non-Executive Chairman was not considered independent on appointment. Taking into account Roger De Haan's history with the Saga brand and business, his proposed time commitment, the terms of the Relationship Agreement between him and the Company and his letter of appointment, the appointment was deemed to be in the best interests of the Company.
- **Provision 23:** While the Code defines 'senior management' as the layer below the Board and the Company Secretary and their direct reports, we think it is more appropriate to disclose the gender balance of the Operating Board and Senior Leadership Team.
- **Provision 34:** Roger De Haan has waived his fee since becoming Non-Executive Chairman in 2020.
- **Provision 38:** Pension contributions/payments in lieu for Executive Directors are aligned with those of the majority of colleagues (6% of salary). Colleagues can, however, opt to increase their contribution to a maximum of 10%, which the Company will match. This does not apply to Executive Directors.

Chairman's introduction to governance

GOVERNANCE REPORT

Sir Roger De Haan
Non-Executive Chairman

Dear shareholder,

2024/25 has been a busy year for our Board and we made a number of very significant decisions that led to the Group being able to lay the foundations for future growth and provide support for our strategy to move towards a more capital-light model, reduce debt and generate long-term sustainable value for our stakeholders.

We agreed a 20-year partnership with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**) for our motor and home insurance operations, alongside the sale of our Underwriting company, Acromas Insurance Company Limited (**AICL**). The new partnership brings together the strength of the Saga brand, our marketing skills and customer base with Ageas's extensive and growing UK insurance business.

The partnership with Ageas will enable us to offer best-in-class insurance services to our customers and, once the new arrangements have been bedded in, provide us an excellent opportunity to increase the number of motor and home insurance customers we serve and, at the same time, to completely re-engineer the way we run our motor and home insurance operations.

There was a significant amount of Board discussion regarding the best way to reduce debt and increase liquidity ahead of the maturity of our £250.0m 2026 bond and the loan facility that I had previously provided. Various options were explored and expert independent financial and legal advice was sought to aid our decision making.

The resultant corporate refinancing significantly enhances the Group's liquidity position, increases covenant headroom and provides funding certainty as we execute our strategic growth plans.

During the year, the Group repaid its £150.0m 2024 senior unsecured corporate bond at maturity and completed a successful refinancing of the Group's corporate debt in full. We did this by securing new facilities to enhance the Group's liquidity position. As a result, following the year end, we repaid both the £250.0m 2026 bond and the £75.0m drawn position of the £85.0m facility that I had provided. This facility and the Group's existing Revolving Credit Facility were cancelled.

Find out more in Board activities on pages 62-65

Changes to Board and Committee structure/composition

There was no change to Board composition during the year, however, the Nomination Committee continued to assess the skills, diversity and capacity required at both the Board and individual Committee levels.

It undertook a review of the proposal to re-appoint Julie Hopes and Gareth Hoskin as Non-Executive Directors when they were proposed for re-appointment after serving their second three-year terms. The Board approved the recommendations to re-appoint them.

Following the year end, it was announced that Steve Kingshott would be standing down from his role as the Chief Executive Officer of Insurance, from 12 February 2025, and that he would take on the role of specialist adviser for the delivery and implementation of the 20-year partnership with Ageas and remain an Executive Director.

Peter Bazalgette, Senior Independent Director, and Steve Kingshott, both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model.

I would like to thank them both for all their hard work over the past years and the significant contributions they have each made. Their expertise in their respective fields of media and insurance have proven invaluable as we have reshaped Saga. We wish them well in their future endeavours.

The Board approved the Nomination Committee's recommendation that Gareth Hoskin be appointed as Senior Independent Director, Chair of the Nomination Committee and a member of the Remuneration Committee and that Julie Hopes be appointed as a member of the Nomination Committee.

Find out more in our Nomination Committee Report on pages 69-70

Risk management

Our risk management framework, financial reporting processes and internal controls were overseen by our Audit and Risk Committees, with matters escalated to the Board whenever necessary.

The Audit Committee was focused on supporting the Group to deliver its strategic priorities, including entering into the partnership with Ageas and the sale of AICL. This Committee played a key role in considering our options for refinancing and maintaining the financial flexibility of the Group.

The Risk Committee continued to provide independent challenge and oversight to assess the main risks facing the business and the design and effectiveness of critical controls, together with monitoring risk maturity. The Board recognised that effective risk management protects our assets, reputation and brand.

During the year, the Audit and the Risk Committees received updates from a Corporate Governance Reforms Steering Committee, a management group that we established to address the changes resulting from the revised UK Corporate Governance Code, which will apply to the Company from the financial year ending 31 January 2026.

Find out more in:

Audit Committee Report on pages 71-74

Risk Committee Report on pages 75-76

People and remuneration

The Nomination Committee's primary focus was on succession planning and talent development, while keeping in mind the Group's Diversity, Equity, Inclusion and Belonging (**DEI&B**) targets. This helped us ensure the Group continued to have the key skills and abilities we required to achieve our strategic goals.

The Remuneration Committee continued to be as focussed on our colleagues as we were on our customers, in order to ensure that our approach to rewarding them at all levels was aligned with our business strategy, which placed customer service and colleague engagement at its core. Julie Hopes, our Remuneration Committee Chair, regularly attended our People Committee meetings during the year and her role as People Champion ensured that colleagues had a voice in our boardroom.

Shareholder approval will be sought for a revised Remuneration Policy this year. The Remuneration Committee plays an important role in aligning executive incentives with our business strategy, while ensuring that the remuneration structure remains both motivational and retentive.

Find out more in:

How the Board monitors culture on page 62

Directors' Remuneration Report on pages 77-79

Environmental, Social and Governance (ESG)

In 2023, we launched Saga's ESG strategy which focussed on championing positive ageing, acted on climate change and biodiversity and strengthened our exceptional culture. During the financial year, we continued to make progress, which we measured against our key performance indicators and targets.

The highlights, during the year, included the calculation of our Scope 3 emissions footprint and the collection of colleague diversity data, which enabled us to consider setting informed targets around DEI&B. Since the year end, we announced our charity partnership with Kent Wildlife Trust .

ESG remains a priority for our business and we believe it is essential to the future success of our brand. We hope our ongoing efforts will continue to drive positive change and we will continue to prioritise the environmental performance of our Cruise fleet, including establishing a pathway to achieving net zero emissions by 2050.

Find out more in:

Environmental, Social and Governance on pages 39-46

2025 ESG Report

Board and Committee evaluation

This year, the Board effectiveness and performance review was carried out with the help of all Directors completing a survey that evaluated the Board's focus on strategy, how well the Directors worked together, the quality of the financial and business information they received and how well the Board Committees interacted with the Board. The Group Company Secretary, with my support, prepared a report which was then discussed by the Board.

The review concluded that our governance framework had worked well and in an agile way during the year. Its use of subcommittees was effective in analysing the detail relating to significant projects. Board committees were found to be operating effectively, with matters reported, and escalated, to the Board as necessary.

Find out more about Board composition, succession and evaluation on page 68

Our 2025 Annual General Meeting (AGM)

This year, our AGM will be held on 24 June 2025, at the offices of Numis Securities Limited, 45 Gresham Street, London EC2V 7BF. Full details will be set out in the Notice of AGM in due course.

The Board and I enjoy meeting with and hearing from shareholders at our AGM and are looking forward to seeing shareholders there.

Sir Roger De Haan
Non-Executive Chairman
15 April 2025

CORPORATE GOVERNANCE STATEMENT

Board of Directors

The Board composition brings a wealth of expertise and leadership with a diverse range of backgrounds spanning key sectors relevant to the Company. With a commitment to governance, sustainability, and growth, their collective balance of experience will ensure long-term value creation. Each Board members' biography demonstrates the insight and contribution they bring to the Board.

Roger De Haan
IE N

Non-Executive Chairman

Appointed 5 October 2020

Key strengths and experience

- Experienced business leader and board director with extensive experience in travel and financial services industries.
- Significant history with Saga, having worked in the business for 40 years, including over 20 years as Chairman and Chief Executive.
- Instrumental in transforming Saga, from a specialist tour operator to one that offered its own cruises, and expanding the business to cover publishing, insurance and financial services, creating the Saga brand.
- Knighted in the 2014 New Year Honours List for services to education and to charity in Kent and overseas.

Other roles

Director of Folkestone Harbour companies; and Chair of Friends of Folkestone Academy (appointed January 2004) and the two charities: Creative Folkestone (appointed January 2003) and The Roger De Haan Charitable Trust (appointed September 1978).

Mike Hazell
OB

Group Chief Executive Officer

Appointed 9 October 2023 (as Group Chief Financial Officer). Group Chief Executive Officer from 28 November 2023

Key strengths and experience

- Over 25 years of multi-sector experience in a variety of executive roles.
- Substantial experience of strategy development and implementation at pace.
- Deep understanding of corporate turnarounds and financing.
- Significant experience working within diversified groups.
- Previous senior roles include: Interim Chief Financial Officer at The Co-op Group; Group Chief Financial Officer and, ultimately, Chief Executive Officer of Debenhams; and various management roles at BSkyB, Fonterra and Pfizer.

Mark Watkins
OB

Group Chief Financial Officer

Appointed 28 November 2023

Key strengths and experience

- Fellow of the Institute of Chartered Accountants in England and Wales.
- Extensive knowledge of Saga, with over eight years of experience within the business, including time as Chief Corporate Development Officer, Finance Director, and Director of Investor Relations and Corporate Finance.
- Experience in delivering corporate strategy, investor communications and internal/external analysis and reporting.
- Considerable strategic, investor and operational finance experience across multiple sectors.
- Previous senior roles include: Chief Financial Officer Europe and Central Asia at Intertek; Finance Director of the Processing, Recovery and Disposal Division at Secure Energy Services; and Group Financial Controller at Bovis Homes.

Other roles

Director of Creative Folkestone (appointed September 2024).

Steve Kingshott[1]
OB

Executive Director

Appointed 3 January 2023 (resigned 9 April 2025)

Key strengths and experience

- Highly experienced insurance executive with over 30 years of experience in the UK insurance market.
- Previous senior roles include: Chief Executive Officer of Tesco Bank's Insurance business; and Chief Insurance Officer for Tesco Bank.

Peter Bazalgette[2]
IE N R

Senior Independent Director

Appointed 1 September 2022 (resigned 9 April 2025)

Key strengths and experience

- Wealth of experience from the media and wider creative industries.
- Multi-industry knowledge in broadcasting, television, advertising, digital media and venture capital.
- Previous roles include: Chairman of ITV plc; Chairman of Endemol UK; Chair of the Arts Council for England; Non-Executive Director of YouGov; and Non-Executive Director of Channel Four.

Other roles

Chair of LoveCrafts Group Limited (appointed April 2018).

Anand Aithal
A IE N

Independent Non-Executive Director

Appointed 1 September 2022

Key strengths and experience

- Extensive non-executive experience in fintech, insurance broking, asset management and accountancy.
- Entrepreneurial perspective, having co-founded his own data analytics business.
- Previous roles include: Managing Director at Goldman Sachs and Lead Non-Executive Board Member of the Cabinet Office.

Other roles[3]

Non-Executive Director of Persimmon plc (appointed January 2025); Non-Executive Director of Nationwide Building Society (appointed September 2024); Trustee of the Institute for Government (appointed September 2024); Non-Executive Director and member of Audit and Risk Committee of Polar Capital Holdings plc (appointed January 2022); and Non-Executive Appointee to Council Board of Association of Chartered Certified Accountants (appointed December 2019).

1 Steve Kingshott resigned from the Board with effect from 9 April 2025
2 Peter Bazalgette resigned from the Board with effect from 9 April 2025
3 The Board approved Anand Aithal's new roles at Persimmon plc, Nationwide Building Society and the Institute for Government, concluding that these were appropriate and that he had sufficient time to undertake the roles

Gemma Godfrey

IE R RI N

Independent Non-Executive Director, Environmental, Social and Governance Champion and Chair of Saga Personal Finance Limited

Appointed 1 September 2022

Key strengths and experience

- Founder of two successful digital businesses.
- Specialist in digital transformation, innovation and de-risking the delivery of new services.
- Previous roles include: Boardroom adviser on the Apprentice USA; Non-Executive Director of VivoPower International plc; Non-Executive Director of Forester Life Limited; and Non-Executive Director of Eight Capital Partners plc.

Other roles[4]

Chair and Non-Executive Director of Scottish Widows Schroder Wealth (ACD) Limited (appointed August 2024); Non-Executive Director and member of Nomination and Remuneration Committee of Kingswood Holdings Limited (appointed October 2022); Non-Executive Director and Chair of the Management Liaison Forum of Oberon Investments Group plc (appointed September 2021); and business and money expert on ITV and Sky News.

Julie Hopes[5]

A R RI

Independent Non-Executive Director, People Champion and Chair of Saga Services Limited

Appointed 1 October 2018

Key strengths and experience

- Associate with the Chartered Institute of Bankers.
- Wealth of insurance experience, coupled with over 31 years in a variety of roles, specialising in general insurance and predominantly in personal lines.
- Highly customer-focussed, with a breadth of functional, membership and affinity experience, alongside a track record of driving growth.
- Previous roles include: Chair of Police Mutual and its Remuneration Committee; Non-Executive Director and Chair of the Risk Committee of Co-operative Insurance; a variety of roles at RSA and Tesco Bank; and Chief Executive Officer of The Conservation Volunteers, a UK community volunteering charity.

Other roles[6]

Non-Executive Director and member of the Audit and Nomination Committees (appointed October 2024) and Remuneration Committee Chair (appointed December 2024) of Secure Trust Bank plc; and Deputy Chair and Senior Independent Director of West Bromwich Building Society (appointed April 2016).

Gareth Hoskin[7]

A IE RI N

Independent Non-Executive Director, Speak Up Champion and Chair of Acromas Insurance Company Limited

Appointed 11 March 2019

Key strengths and experience

- Over 21 years of experience in insurance, in a variety of roles.
- Chartered Accountant, with recent and relevant financial experience and competence in accounting (Institute of Chartered Accountants in England and Wales).
- Previous roles include: main Board Director and Chief Executive Officer International, and finance, retail marketing and HR roles in Legal & General; accountant at PwC; Vice Chair and Senior Independent Director at Leeds Building Society; and Trustee, Non-Executive Director and Chair of the Audit and Risk Committee at Diabetes UK.

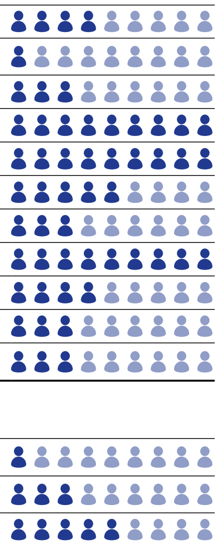
Other roles[8]

Senior Independent Non-Executive Director and member of the Group Audit, Group Risk, Group Remuneration, People, and Group Nomination and Governance Committees of OSB Group plc (appointed March 2025).

Key

- Committee Chair
- A Audit Committee
- OB Operating Board
- IE Innovation and Enterprise Committee
- N Nomination Committee
- R Remuneration Committee
- RI Risk Committee

Board experience



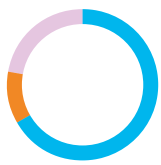
Insurance
Travel
Personal finance
Board experience and corporate governance
Strategy and innovation
Consumer-facing businesses
Brand management
Stakeholder management and culture
Finance and audit
Digital and media
Risk management

Board composition

Non-Executive Chairman
Executive Directors
Non-Executive Directors

Board tenure

Under 1 year	–
1 to 3 years	6
3 to 6 years	1
Over 6 years	2



Board age

Under 50	2
50–59	4
60–69	2
70 and over	1

4 The Board approved Gemma Godfrey's new role at Scottish Widows Schroder Wealth (ACD) Limited, concluding that it was appropriate and that she had sufficient time to undertake the role
5 Julie Hopes became a member of the Nomination Committee with effect from 9 April 2025
6 The Board approved Julie Hopes' new role at Secure Trust bank plc, concluding that it was appropriate and that she had sufficient time to undertake the role
7 Gareth Hoskin was appointed Senior Independent Director and became Chair of the Nomination Committee and a member of the Remuneration Committee with effect from 9 April 2025
8 The Board approved Gareth Hoskin's new role at OSB Group plc, concluding that it was appropriate and that he had sufficient time to undertake the role

Board activities

FOCUSSED ON POSITIONING SAGA FOR GROWTH

This year was focussed on delivering the right strategic options to create the foundation for the Group's long-term success. Board meeting agendas were carefully structured and included an update by the Chair of each Committee, including any matters for escalation, and a report from each Operating Board member, updating on progress against each business' strategy and our Group initiatives.

During the year, the Board held seven scheduled meetings and five ad hoc meetings. The additional meetings were necessary due to the need to regularly discuss the strategic options and direction of the Group.

The examples of principal decisions taken by the Board during the year demonstrate how the Board recognises the importance of considering the needs of, and impact on, all stakeholder groups.

As always, there was a need to ensure that the consequences of decisions would promote the long-term success of the Company, as well as maintain Saga's reputation for high standards of business conduct.

Find out more in:

Engaging with stakeholders on pages 22-23

Section 172(1) statement on page 55

How the Board monitors culture

The Board regularly reviews a range of information to actively monitor culture. The table below shows the key sources of data the Board tracks, with a view to take action where adjustments or remedial action are needed. During the year, the Board was satisfied that the culture was aligned with the Company's purpose, values and strategy.

	Cultural priorities			
Cultural identifier	**Promoting integrity and openness**	**Valuing DEI&B**	**Being responsive to the views of stakeholders**	**Culture aligned to purpose, values and strategy**
Colleague surveys	✓	✓	✓	✓
People Champion Non-Executive Director attendance at People Committee	✓	✓	✓	✓
Speak Up reports	✓	✓	✓	✓
Progress on diversity, equity, inclusion and belonging (**DEI&B**)	✓	✓	✓	✓
Environmental targets	✓	✓	✓	✓
Health and safety performance	✓		✓	✓
Internal audit reports and findings	✓		✓	✓

How culture is embedded

Culture is embedded throughout the Company by creating an inclusive and diverse business using data and targets to drive action and meaningful change, empowering our colleagues to have a voice and build connection through colleague surveys and networks and by developing our external partnerships and employer brand.

"2024/25 has been a busy year for our Board and we made a number of very significant decisions that led to the Group being able to lay the foundations for future growth and provide support for our strategy to move towards a more capital-light model, reduce debt and generate long-term sustainable value for our stakeholders."

Sir Roger De Haan
Non-Executive Chairman

Culture framework

Key Board decision

Considered how to deliver our growth plan by reducing our debt, while simplifying our operations

Connection to strategic pillars 1 3 4

- Reached an agreement with Ageas for a 20-year partnership for motor and home insurance.
- Agreed the sale of our Insurance Underwriting business, AICL, subject to regulatory approval and certain conditions being met.

How the Board reached its decision and considered matters set out in Section 172(1) (S172(1)) of the Companies Act 2006 (the Act)	Significant time spent discussing the future of the Insurance business within the Group. Considered how to drive long-term sustainable growth, while continuing to reduce the level of debt. Focussed discussion on how to provide best-in-class insurance services to our customers. Expert independent advice, guidance and analysis sought from world-leading financial advisory and asset management firm. Evaluated the strategic fit of the partnership arrangement and sale of AICL with the alignment to our growth plan and strategic pillars. Established a working group of Executive and Non-Executive Directors to oversee the successful delivery of the partnership arrangement and sale agreement, ensuring that all stakeholders were considered throughout discussions and negotiations.
Stakeholder management	The Board discussed how to continue to deliver exceptional experiences to our **customers**, while also creating value for its **shareholders**. The impact on **colleagues** and **customers** was considered when discussing options, particularly when the decision was made to sell AICL, and the potential impact that could have. **Regulators** were kept up to date throughout negotiations and updated on how Saga would still continue to deliver good outcomes for our **customers**. The **Pension Trustees** were consulted to ensure a fair and transparent outcome for those in the pension scheme.
Challenges faced	Challenging trading conditions in Insurance Broking as a result of greater market competition. Actions were taken to slow the decline in policy sales by investing in price, but the effectiveness of this action was hindered by inflationary pressures. These significant challenges highlighted the importance of reaching an agreement for the partnership and sale to ensure the viability and value of the Insurance Broking business to the Group, and ultimately all stakeholders, in future years. Regulatory considerations associated with a partnership arrangement and successful completion of the sale of AICL. Retention of colleagues and suppliers throughout the transition of the motor and home business and completion of sale. Complex negotiations around how Saga's data and brand would be protected, while achieving a good outcome for both Saga and Ageas.
Outcome and impact of the decision	The Board concluded that the partnership arrangement with Ageas, and the sale of AICL, aligned with the Group's strategy and growth plan and that it was ultimately in the best interests of all stakeholders. The partnership arrangement is expected to drive growth in our motor and home insurance business through differentiated products, while ensuring continued good customer outcomes, in line with regulatory expectations. Both the partnership arrangement and sale are consistent with the Group strategy to move towards a capital-light business model to support further growth, crystallise value, reduce debt and enhance the long-term value for shareholders. Reduced operating expenses and cost base expected, following completion of the transition and sale of AICL.

Key to our strategic pillars[1]

1. Maximising the growth of our existing businesses
2. Driving incremental growth through new business lines and products
3. Growing our customer base and deepening those relationships
4. Reducing debt, while simplifying our operations

1 Since the year end, the strategic pillars evolved, reflecting the strategic progress made over the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships

CORPORATE GOVERNANCE STATEMENT

Board activities continued

Key Board decision

Considered how to support our existing businesses in their strategic and customer growth

Connection to strategic pillars 1 2 3

- Options to enhance product offerings and customer experiences in Travel[2], including an addition to the River Cruise fleet.
- Building awareness of our newer Saga Money products and driving growth in customer acquisitions.
- Expanding the Saga Magazine customer reach.

How the Board reached its decision and considered matters set out in S172(1) of the Act	Considered how to drive long-term sustainable growth through our existing businesses.
	CEOs of each business unit attended Board meetings to discuss current trading, strategy, opportunities and risks, with business unit update reports reviewed at every meeting.
	Discussions held on how to enhance products offered in the Travel[2] businesses in a capital-light way, while still providing exceptional products and service to our customers, noting the strong customer demand and transactional net promoter score (**tNPS**).
Stakeholder management	The Board discussed how to continue to deliver exceptional products and service to its **customers**, while also creating value for its **shareholders**.
	The opportunities to develop further **supplier and partnership** relationships, which are key to delivery of the strategy, including strengthening the products and services Saga offers, were considered.
Challenges faced	Certain factors, such as those geopolitical in nature, requiring us to make certain amendments to travel itineraries or destinations.
	The impact of climate change, such as increasingly severe rain, drought, heat and storm events, causing disruption in the supply chain, resulting in a reduced customer experience and increased business costs. In addition, incidents of severe weather can result in disruption to Travel[2] itineraries and the availability of supplies.
	Cost of living pressures experienced in the UK creating the potential for reduced levels of discretionary spending from our customer group.
Outcome and impact of the decision	The Board approved the addition of Spirit of the Moselle to the existing River Cruise fleet in July 2025, following strong customer demand and an increase in tNPS.
	Exceptional growth and customer demand experienced, resulting in record levels of occupancy on the two Ocean Cruise ships.
	Leadership consolidated, with the Holidays[2] business now being managed by the Cruise team to ensure alignment of the customer experience between the businesses, deliver efficiencies and position both for further growth.
	Increased demand experienced for the Saga Money digital newsletter and webinars promoting financial wellbeing.
	Launched the Saga Magazine in selected high street stores throughout the UK.

Key to our strategic pillars[3]

1 Maximising the growth of our existing businesses
2 Driving incremental growth through new business lines and products
3 Growing our customer base and deepening those relationships
4 Reducing debt, while simplifying our operations

2 Following the consolidation of leadership across our Cruise and Travel businesses, Travel will now be referred to as 'Holidays', with the existing Cruise and Travel umbrella becoming 'Travel'

3 Since the year end, the strategic pillars evolved, reflecting the strategic progress made over the past 12 months and our focus on driving long-term sustainable growth. The strategic pillars that applied during the 2024/25 financial year were set out in the 2024 Annual Report and Accounts. These were: maximising our core businesses; reducing debt through capital-light growth; and growing our customer base and deepening our customer relationships

Key Board decision

Management of debt, including the repayment of our corporate bonds and loan facility provided by Roger De Haan, and the corporate refinancing

Connection to strategic pillars 1 4

How the Board reached its decision and considered matters set out in S172(1) of the Act	Significant discussion regarding how to reduce debt and increase liquidity ahead of the maturity of our £250.0m bond and repayment of the loan facility provided by Roger De Haan.
	Explored different options for refinancing and the risk and opportunities associated with each.
	Expert independent financial and legal advice sought to aid the Board's decision on refinancing options.
	Sale of our Insurance Underwriting business, AICL, and partnership arrangement with Ageas discussed and agreed, in line with the Group's aim to reduce debt and simplify our operations.
	Management of debt was considered and discussed at every Board meeting as part of the budget and five-year plan approval process.
	Going concern and viability statements considered and discussed in detail.
Stakeholder management	The impact on all stakeholders was considered, including **colleagues**, **customers**, **communities**, **partners and suppliers**, **shareholders** and **investors**. The **Pension Trustees** were also consulted and kept informed.
	Transparent communication with **colleagues**, particularly those who may be impacted by the sale of AICL or partnership arrangement with Ageas. Their needs are being considered at each step, including through any future arrangements with Ageas.
	Regulators kept informed of the corporate refinancing, partnership arrangement with Ageas and sale of AICL and were updated on how Saga would still continue to deliver good outcomes and exceptional products and service for **customers**.
Challenges faced	Balancing the level of investment required to scale operations with maximising cash generation and accelerating debt reduction.
	Multiple stakeholders to manage, across complex negotiations with multiple workstreams, while continuing to deliver business as usual.
	Refinancing of corporate debt was subject to certain customary conditions.
	Commercial property market outlook creating challenges in respect of property sales.
Outcome and impact of the decision	Going concern and viability statements made.
	Significant progress made in reducing our debt.
	Repayment of £150.0m senior unsecured bond in May 2024, through a combination of Available Cash[4] and a £75.0m drawdown of the facility provided by Roger De Haan.
	Concluded discussions with our Revolving Credit Facility (**RCF**) lenders, agreeing an extension to the maturity date from 31 May 2025 to 31 March 2026.
	Amendment to the RCF leverage covenant test, which was previously calculated excluding Ocean Cruise, but moved to a Group basis.
	Board approved the refinancing of the Group's corporate debt in full, significantly enhancing the Group's liquidity position, increasing covenant headroom and providing funding certainty as we execute our strategic growth plans.
	Following the year end, the new £335.0m term loan was used to repay the £250.0m bond, maturing in July 2026, alongside the £75.0m drawings under the loan facility provided by Roger De Haan. In addition, the facility provided by Roger De Haan and the Group's existing RCF were cancelled.

4 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

CORPORATE GOVERNANCE STATEMENT

Board leadership and Company purpose

Our Board

A document summarising the matters which are reserved for the Board was last considered on 28 January 2025. These include the following:

Strategy and management

- Setting the Group's purpose, values, strategy and standards and ensuring these align with our culture.
- Approving the strategic direction, budgets, forecasts and objectives, as well as their successful implementation.
- Overseeing our operations, including policies relating to regulatory, financial and operational matters.
- Any decision which may have a material impact on the Group. For example, new business activity, significant expansion, partnerships or diversification/cessation of existing businesses.

Structure and capital

- Approving changes relating to our capital, corporate, management or control structures; and borrowings and guarantees, other than in the normal course of business.

Financial items, risk management and internal controls

- Approving the interim and preliminary results and annual report and accounts, alongside material capital or operating expenditure outside predetermined tolerances or beyond agreed delegated authorities.
- Ensuring maintenance of a sound system of internal controls, including risk appetite and policies such as the ESG Policy.

Contracts and business transactions

- Approving capital projects which are strategically material, are not in the usual course of business or are outside of normal financial limits in place.
- Conducting post-investment reviews which were not considered in detail by the Audit or Risk Committees or where the Board decides a full review is required.
- Joint ventures, material arrangements with customers or suppliers and major investments.

Communication and engagement with stakeholders

- Considering the balance of interests between stakeholders, including shareholders, customers, colleagues and the communities in which we operate.
- Ensuring that independent channels are available for colleagues to engage and raise any matters of concern.

See pages 22-23 for details of the Board's role in stakeholder engagement, which supports Directors' duties under Section 172(1) of the Companies Act 2006.

Shareholder engagement

The Board seeks feedback from our shareholders on the Company's performance against strategy and actively monitors their views. Full details of how we engage with our shareholders can be found in the Strategic Report on page 23. In addition, an Investor Relations report is tabled at each Board meeting.

We recognise that we have a significant number of retail shareholders, many of whom are also our customers. We engage with this group through arranging presentations via the Investor Meet Company platform, which provides an opportunity for our Group CEO and Group CFO to answer any questions they may have. Shareholders also had the opportunity to meet the Directors at the 2024 Annual General Meeting (**AGM**), held at the offices of Numis Securities Limited.

AGM

The AGM will be held on 24 June 2025 at 11.00am at the offices of Numis Securities Limited, 45 Gresham Street, London EC2V 7BF. Full details, and an explanation of business to be considered at the meeting, will be provided in the Notice of AGM. A copy will be available on Saga's corporate website in due course (www.corporate.saga.co.uk).

Board roles

At 31 January 2025, the Board comprised nine Directors with a broad set of complementary skills, industry expertise and each bringing a different perspective.

On 28 January 2025, the Board reviewed and approved a document detailing the division of responsibilities and roles of the Chairman, Group CEO, Senior Independent Director, all Committee Chairs and the Non-Executive Directors nominated ESG Champion, Speak Up Champion and People Champion. This is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Member	Role	Max. possible meetings	Attendance
Roger De Haan	Non-Executive Chairman (leadership, Board governance, setting the agenda and facilitating open Board discussions, performance and shareholder engagement).	12	12
Mike Hazell	Group CEO (Group performance and developing strategy for Board approval).	12	12
Mark Watkins	Group CFO (Group financial performance, including creation of the budget and five-year plans for recommendation to the Board).	12	12
Steve Kingshott[1]	Executive Director (advising on the delivery and implementation of the 20-year partnership for the motor and home Insurance Broking business).	12	12

Independent Non-Executive Directors	Role	Max. possible meetings	Attendance
Peter Bazalgette[1] (Senior Independent Director)	Participate in, assess, challenge and monitor Executive Directors' delivery of the strategy (within risk and governance structures); financial controls and integrity of financial statements; and Board diversity. Evaluate and appraise the performance of the Non-Executive Chairman, Executive Directors and senior management.	12	12
Anand Aithal		12	11
Gemma Godfrey (ESG Champion)		12	12
Julie Hopes (People Champion)		12	12
Gareth Hoskin[1] (Speak Up Champion)		12	11

1 Peter Bazalgette and Steve Kingshott both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model. Gareth Hoskin has assumed the position of Senior Independent Director

Division of responsibilities

Our governance framework

An annual review of the governance framework was undertaken by the Company to ensure it continued to allow business units to operate autonomously within a Group framework. The Data Management Committee continues to consider and support our data strategy.
The Audit Committee Chair serves as the Speak Up Champion. The Chair of the Remuneration Committee is the nominated People Champion and regularly attends the People Committee. A Non-Executive Director is appointed as the ESG Champion and regularly meets with the ESG and Sustainability Manager, who attends Operating Board and Board meetings to discuss ESG strategy and targets. The ESG Steering Committee meets regularly and reports to the Operating Board. For more information on the governance put in place to monitor ESG strategy, see page 40.

Board

- Approve strategic direction and ensure its successful implementation.
- Leadership and management of the Group, including setting the Group's purpose, values and standards and aligning these with culture.
- Encourage innovation and consider the views, interests and needs of key stakeholders, including colleagues, customers, communities and shareholders.
- Ensure that independent channels are available for colleagues to engage and raise matters of concern. This includes discussing an annual report presented by the Non-Executive Director who acts as Speak Up Champion.
- Ensure oversight of compliance with statutory and regulatory obligations.
- Ensure a sound system of internal controls and risk management is maintained.
- Assess the potential impact of decisions.
- Oversee ESG strategy in all business units across the Group.

Nomination Committee

Purpose: To review and monitor the leadership needs of the Board and senior management and support the Company's continued ability to recruit and develop the level and balance of skills, experience and knowledge required to ensure its long-term success.

Find out more in our Nomination Committee Report on pages 69-70

Audit Committee

Purpose: To work closely with the Risk Committee to monitor the integrity of the financial statements and establish, maintain and review the effectiveness of the systems of internal control, and to monitor the effectiveness, performance and objectivity of the internal and external auditors.

Find out more in our Audit Committee Report on pages 71-74

Risk Committee

Purpose: To assist the Board with articulating and developing its risk management strategy, establishing and maintaining an effective risk management framework and providing oversight of risk management. It is responsible for and confirms to the Board that the Group carried out a robust assessment of the principal risks facing the Group.

Find out more in our Risk Committee Report on pages 75-76

Remuneration Committee

Purpose: To determine the policy and terms and conditions of employment; remuneration/compensation and benefits of senior executives, and to review workforce remuneration and incentive programmes to ensure alignment with culture and strategy and determine share-based arrangements.

Find out more in our Directors' Remuneration Report on pages 77-93

Operating Board

Purpose: To support the Group CEO in the performance of duties in relation to the management and day-to-day running of the Group.

Duties:
- Implement the Group's strategy.
- Act as guardians of the brand, customer and data strategy.
- Cultural leadership and people strategy.
- ESG strategy and review/monitoring of targets. Oversee ESG Steering Committee.
- Review principal risks and uncertainties across the Group.
- Ensure effective implementation of Group risk policy and internal controls framework in a consistent manner across all business areas.
- Monitor performance of business units against targets, objectives and key performance indicators set by the Board.
- Review and discuss talent management and succession planning throughout the Group.
- Review and monitor culture, DEI&B and colleague engagement metrics.
- Manage risk and conduct, review Group risk and internal audit and assurance plans, and report potential, or actual, breaches of regulation or policy to the Board.
- Oversee Data Management Committee.

Innovation and Enterprise Committee

Purpose: To assist the Board in assessing whether proposals to expand the range of products and services offered are aligned with the Company's purpose and that the recommended action plan is in the best interests of the Group.

People Committee

Purpose: To support our continuous listening strategy where all colleagues can speak up and share the things that matter to them, enabling our leadership to act and respond to feedback. This gives the employees a voice in the boardroom.

Data Management Committee

Purpose: To ensure that Saga's data is actively managed, controlled and monitored in accordance with the Group's data governance framework, and oversee the associated risks.

ESG Steering Committee

Purpose: To support and monitor delivery of the Group's ESG strategy and targets and to drive ESG accountability across the business units.

CORPORATE GOVERNANCE STATEMENT

Composition, succession and evaluation

The members of the Board

The Board considers the composition and size of the Board to be appropriate, taking into account the independence of character, skills and integrity of, and different approach taken by, all the Directors.

Our Directors have a broad range of experience in a variety of markets and sectors, particularly in the areas of insurance, financial services, cruise and holidays, customer service, digital, brand management, strategy and asset and risk management, all of which are invaluable to Saga.

Our Non-Executive Directors met regularly during the year without Executive Directors present and provided objective, rigorous and constructive challenge to management.

The Senior Independent Director acts as a sounding board for the Non-Executive Chairman.

Independent Non-Executive Directors and Board composition

We continue to comply with the Code recommendation that at least half of our Board, excluding the Chairman, are Non-Executive Directors whom the Board considers to be independent.

For the year ended 31 January 2025, the Board considered Anand Aithal, Peter Bazalgette[1], Gemma Godfrey, Julie Hopes and Gareth Hoskin to be independent Non-Executive Directors, free from any business or other relationships that could materially interfere with the exercise of their independent judgement or objective challenge of management.

Annual re-election

All Directors are required to stand for annual re-election at the Company's AGM. The Board's view is that each of the Directors standing for re-election should be re-appointed.

We believe that they have the skills required for the Board to discharge its responsibilities, as outlined in each of their biographies set out on pages 60-61.

The details of the specific reasons why each Director's contribution continues to be important to the Company's long-term sustainable success will be included in our Notice of AGM.

DEI&B

The Group has a DEI&B Policy and, during the year, forums were held on topics relating to DEI&B, which provided valuable insight around how colleagues felt relating to matters such as inclusivity, age, ethnicity and gender. The Board recognises that it is important to consider the need to have an inclusive approach for all colleagues. For details of the gender split of our Board and Senior Management, see page 46.

Find out more in:

Environmental, Social and Governance on page 46

Nomination Committee Report on pages 69-70

Evaluation of the Board, Committees and Directors

The Board effectiveness and performance review consisted of all Directors completing a survey, which included questions on strategic focus over the year, emerging strategy, how well the Board worked together, the financial and business information it received and how the Board Committees interacted with the Board. The Group Company Secretary, supported by the Non-Executive Chairman, prepared a report which was then discussed by the Board.

Feedback was also requested on the effectiveness of the Board Committees and the performance of the Non-Executive Chairman. The Senior Independent Director and the other Non-Executive Directors also appraised the Non-Executive Chairman's performance and the Non-Executive Directors had regular meetings with the Non-Executive Chairman at which their performance was discussed.

Action taken as a result of the 2023/24 evaluation

The review concluded that the Board had demonstrated resilience in challenging circumstances, was focussed on the right priorities and had the right skills needed to steer the Group through the risks and opportunities ahead.

Actions taken included:

- **Strategy –** Detailed discussions around how best to deliver an optimal outcome for the Group, resulting in a successful Insurance partnership, sale of AICL and corporate refinancing.
- **Brand and data –** Consideration of how customers' needs would be met and how data and insight played a vital role in the future of the business.
- **Culture, values and stakeholders –** These were carefully considered at each stage of the extensive strategic review. The governance framework was revised to clarify and strengthen controls and enhance the relationship between the Group and its subsidiaries.
- **Risk management and ESG –** Top risks and ESG targets were considered in detail, through 'deep dives' at Board meetings.

Conclusions from 2024/25 evaluation and next steps

Strategic focus. The governance framework worked well during the year, to support the strategic review of the Group and significant project work. Appropriate information was provided and sufficient time was allowed for challenge and debate and the effective use of subcommittees meant that detailed analysis could take place in an agile way, which, in turn, led to focussed Board decisions.

Board performance. Respondents felt that the quality of reporting and papers presented to the Board had significantly improved and were now even more strategically focussed.

Financial and business information. This was a strong area, with Directors confirming that the information discussed at Board meetings was high quality, clear and concise and pitched at the right level, with good use of executive summaries.

Interaction with Board Committees. The review confirmed that the Committees of the Board had the time and expertise to interrogate issues sufficiently and escalate points to the Board as appropriate.

Areas of focus for 2025/26

Focus on growth strategy. Directors agreed that all Board meetings will continue to focus on the growth strategy and will consider brand perception, competitor analysis, the impact of artificial intelligence and technological change and all stakeholder's needs, while retaining the principle that customers' needs will remain at the heart of every discussion.

Board ways of working. There will be even more focus in leveraging Directors' skillsets and experience to support executive management in their drive to grow their businesses. Papers will become more forward-looking, concentrating on strategic and external factors, with clear outcomes defined.

Reporting. There will be an increased focus on tracking delivery of the strategy, including individual businesses reporting against their growth strategy and monitoring progress of the Insurance partnership with Ageas and sale of AICL.

Governance framework. The approach of continuous review and improvement will continue so that the framework needed to support the growth strategy is refreshed. Committee feedback to the Board will remain an important way of ensuring that the Board remains focussed on monitoring the delivery of strategy, while ensuring that risk management and internal controls oversight remain at a high standard.

1 Peter Bazalgette resigned from the Board with effect from 9 April 2025

Nomination Committee Report

> "The primary focus for the Committee for the year was on succession planning and talent development, while keeping in mind the Group's Diversity, Equity, Inclusion and Belonging targets, to ensure the Group continued to have the key skills and abilities to position and deliver long-term growth for Saga."

Gareth Hoskin
Chair, Nomination Committee

The Committee's responsibilities

- Review the structure, size and composition of the Board needed to ensure that the right balance of skills, experience and knowledge are in place.
- Consider how to develop a diverse pipeline in succession planning and talent development of Executive Directors and senior executives.
- Evaluate the independence, experience, diversity and knowledge of the Board.
- Identify and nominate candidates to fill Board and Committee vacancies.
- Review Board performance evaluation results in relation to Board composition.

The Committee's Terms of Reference were reviewed during the year (approved by the Board on 28 January 2025) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

An evaluation of the Committee's effectiveness took place during the year, as part of the Board effectiveness review (for details see page 68).

The review indicated that the Committee had been well chaired and focussed on the key issues and remained forward-looking and pragmatic, while providing sufficient debate and support. It was acknowledged that the Committee will play an important role over the next year as the Group focusses on driving growth.

Key actions in 2024/25

- Considered talent development and succession planning for executive roles.
- Reviewed progress against set targets relating to diversity, equity, inclusion and belonging (**DEI&B**).
- Continued to assess Board composition to ensure that the skills and experience of Directors support the delivery of Group strategy.

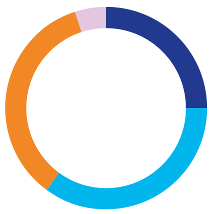
Priorities for 2025/26

- Careful consideration of the skills required for the future to drive further growth.
- Continued focus on succession planning and talent development to support new ways of working as a result of the Insurance partnership with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**).
- Monitoring how management is developing its current and future leaders and driving greater diverse representation at more senior levels.

What we did during the year

Time spent on matters

Board composition	**c.25%**
Succession planning and talent development	**c.35%**
DEI&B	**c.35%**
Board evaluation	**c.5%**



Committee composition and attendance

Members (majority are Independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Gareth Hoskin[1] (Chair)	31 Dec 2023	3	✓✓✓
Peter Bazalgette[1] (Former Chair)	30 Sep 2022	3	✓✓✓
Anand Aithal	31 Dec 2023	3	✓✓✓
Roger De Haan	5 Oct 2020	3	✓✓✓
Gemma Godfrey	31 Dec 2023	3	✓✓✓

1 Peter Bazalgette resigned from the Board with effect from 9 April 2025. With effect from the same date, Gareth Hoskin became Chair of the Nomination Committee and Julie Hopes became a member

Nomination Committee Report continued

Dear shareholder,

Following Peter Bazalgette's resignation on 9 April 2025, I assumed position of the Chair of the Nomination Committee (the **Committee**). I would like to thank Peter for chairing the Committee so effectively and for his support as he handed over responsibility to me.

As highlighted last year, the primary focus for the Committee for the year was on succession planning and talent development, while keeping in mind the Group's DEI&B targets, to ensure the Group continued to have the key skills and abilities to position and deliver long-term growth for Saga.

The Committee considered the revised UK Corporate Governance Code (the **Code**), which would apply to the Company from the financial year ending 31 January 2026, and are confident that the Company's processes will be compliant with changes to the Code relating to composition, succession and evaluation.

The Committee is mindful that, as a result of the significant strategic progress made during the year, including agreement with Ageas for a 20-year partnership and the sale of our Insurance Underwriting business, alongside the successful refinancing of our corporate debt, there will be a need for careful consideration of the skills required for the future to drive further growth.

Board composition

There were no changes to Board composition during the year. Nevertheless, the Committee continued to assess the skills, diversity and capacity required at both the Board and individual Committee levels. As reported in last year's Committee report, the appointments of Mike Hazell, as Group Chief Executive Officer (**CEO**), and Mark Watkins, as Group Chief Financial Officer, ensured the Board continued to have the required skills to maintain and deliver the Group's strategy to maximise the growth of our existing businesses; drive incremental growth through new business lines and products; grow our customer base while deepening those relationships; and reducing debt, while simplifying our operations.

The Committee undertook a review of the proposal to re-appoint Julie Hopes and me as Non-Executive Directors when we were proposed for re-appointment after serving our second three-year terms and the Board approved the recommendation to re-appoint us. I did not participate in the discussion when my re-appointment was being considered.

Following the year end, it was announced that Steve Kingshott was standing down from his role as the CEO of Insurance with effect from 12 February 2025, and would assume the role of specialist adviser, advising on the delivery and implementation of the 20-year partnership with Ageas for our motor and home Insurance Broking business, while remaining as an Executive Director for the Company.

Subsequently, both Steve Kingshott and Peter Bazalgette notified the Board of their intention to step down with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model.

The Committee considered the impact of these changes on committee composition and the Board approved the recommendation that I should become Senior Independent Director, Chair of the Committee and a member of the Remuneration Committee and that Julie Hopes should become a member of the Committee. Neither Peter nor I participated in the decision regarding my appointment as his successor.

The Committee is pleased to confirm that Committee memberships remain compliant with the Code and the experience and skills of each Non-Executive Director are well matched.

Over the coming year, the Committee will keep under review the executive and non-executive leadership needs of the organisation, with the aim of ensuring the continued ability of the Company to deliver the Group strategy.

Succession planning and talent development

During the year, the Committee received an update from the CEO and the Chief People Officer on how talent management was approached, with a particular focus on the Operating Board members.

The Committee heard about the detailed performance and development of each of the Operating Board and what steps were taken to strengthen their potential and capability.

In addition, the Committee considered the approach to evaluating performance, talent and succession and the progress made in creating a diverse and high-quality pipeline.

The Committee is committed to monitoring how management is developing its current and future leaders and driving greater diverse representation at more senior levels.

Independence and election of Directors

After the year end, but prior to publication of this Annual Report and Accounts, the Committee considered the profiles of the Directors, each Director's independence, contribution and time commitment necessary to perform their duties and recommended to the Board that all should be put forward for re-election at the 2025 Annual General Meeting.

The Code requires that at least half of the Board, excluding the Chairman, are considered to be independent Non-Executive Directors. At 31 January 2025, five of the nine (56%) Board members were independent Non-Executive Directors, with other members being the Non-Executive Chairman and three Executive Directors.

DEI&B

The Committee considered the approach to evaluate performance, talent and succession and the progress made in creating a diverse and high-quality pipeline.

Committee members received an update on the Company's DEI&B strategy, including progress made to date on the Group's focus on embracing diversity and further developing an equitable culture, which promotes inclusion.

The Group continues to lead the conversation on age, with it being seen as a leader in this area as a result of partnerships with third parties including the Centre for Ageing Better, the implementation of policies such as Grandparents' Leave and our ongoing approach to hybrid working.

It is recognised that diversity is wider than gender and ethnicity and encompasses many cultural differences.

The Company has a DEI&B Policy in place, with the aim of raising awareness of fairness and equality in the workplace and outlining how everyone is responsible for creating an inclusive environment that respects the dignity and diversity of all people. This policy applies to the Group, including the Board, and is linked to Company strategy. All colleagues must report any breaches, whether actual or perceived, to their line manager or to the People team. There is also the option to report on an anonymous basis via the Company's Speak Up process.

The Group maintained its position from the previous year against the Board agreed data-driven targets as part of the Company's Environmental, Social and Governance strategy. For more information, see page 46. It is recognised that further progress is needed against the data-driven targets and the Company remains committed to achieving them.

The Board has a 22%[2] gender balance of women, and one member is from an ethnic minority background. The gender balance is 44% on the Operating Board and senior layers of management below Board level. Details of the gender balance of those in senior management can be found on page 46. The Committee recognises that this does not meet the targets set out in the UK Listing Rules on board diversity and this is something the Board remains committed to improving in the coming years. This will be a key focus when reviewing the executive and non-executive leadership needs of the organisation.

Targets are disclosed on our corporate website (www.corporate.saga.co.uk/about-us/environmental-social-and-governance). The intention remains to increase female representation in the Senior Management Team to 50%, and 40% on the Board, by 2027.

Board evaluation

The Board evaluation focussed on strategic direction over the year, emerging strategy, how well the Board worked together, the financial and business information it received and how the Board Committees interacted with the Board.

All Directors, and the Group Company Secretary, were asked to complete a questionnaire about the dynamics of the Board and how well Board meetings supported discussion of the strategy and its delivery. The evaluation report prepared by the Group Company Secretary was discussed and this confirmed that the governance framework worked well and in an agile way during the year, with effective use of subcommittees to analyse the detail relating to significant projects, which led to focussed Board discussions. More details can be found on page 68.

Gareth Hoskin
Chair, Nomination Committee

2 As a result of Peter Bazalgette, Senior Independent Director, and Steve Kingshott, Executive Director, resigning from the Board with effect from 9 April 2025, the gender balance of women at the date of signing this report was 29%

Audit Committee Report

> The Committee supported the Board to provide independent challenge and oversight of the Group's financial reporting and internal controls."

Gareth Hoskin
Chair, Audit Committee

The Committee's responsibilities

- Consider the integrity of the financial statements.
- Review the adequacy and effectiveness of the Company's internal financial controls and other internal control systems.
- Monitor the effectiveness of the Company's Internal Audit and Assurance (**IAA**) and Finance functions and the external auditor.
- Review the IAA work plan.
- Review the Group's interim and preliminary financial statements and accounting policies.
- Review and approve key judgements and estimates used as a basis for preparing the Group's financial statements.
- Approve the remuneration and terms of engagement, and determine the independence of the external auditor.
- Monitor the scope of the annual audit and the extent of non-audit work undertaken by the external auditor.
- Provide recommendations on the fair, balanced and understandable assessment, going concern basis of preparation and viability statements.
- Ensure that whistleblowing (**Speak Up**) and anti-fraud systems are in place and monitored.

The Committee's Terms of Reference were reviewed during the year (approved by the Board on 28 January 2025) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

An effectiveness evaluation of the Committee took place during the year, as part of the Board effectiveness review (for details, see page 68).

The review concluded that the Committee was well chaired with an inclusive approach which allowed for healthy debate and robust challenge. This meant that the Committee achieved its purpose of providing effective and independent oversight over financial reporting processes, internal controls and the external auditor.

Key actions in 2024/25

- Oversight of the refinancing the Group's corporate debt.
- Oversight and review of the sale of our Insurance Underwriting business, and the impacts of entering into a partnership arrangement with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**) on areas of key accounting judgement.
- Review of the Group's financial control systems.
- Review developments within the audit, corporate governance, reporting and regulatory landscapes that were of relevance to audit committees, and prioritising assurance work in readiness for the Corporate Governance Reform (**CGR**).

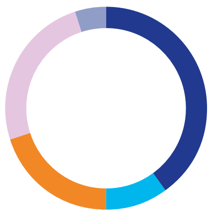
Priorities for 2025/26

- Integration of financial control systems to support and enhance the control framework.
- Continued review and monitoring of the CGR to enhance and align control environment.
- Supporting Ageas partnership arrangements and alignment of Group controls.

What we did during the year

Time spent on matters

Financial statements (including key judgements and estimates)	**c.40%**
Internal financial controls	**c.10%**
Internal audit	**c.20%**
External audit	**c.25%**
Speak Up	**c.5%**



Committee composition and attendance

Members (all are independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Gareth Hoskin (Chair)	4 Apr 2019	5	✓✓✓✓✓
Anand Aithal	17 Nov 2022	5	✓✓✓✓✓
Julie Hopes	31 Dec 2020	5	✓✓✓✓✓

The Board is satisfied that Gareth Hoskin has recent and relevant financial experience and competency in accounting, reflected by his professional qualification as a chartered accountant and relevant experience throughout his career. The Board is also satisfied that the Committee members possess an appropriate level of independence and offer a depth of financial and commercial experience across various industries, including the sectors in which the Company operates. The Board of Directors' biographies on pages 60-61 contain details of Committee members' skills and experience.

Audit Committee Report continued

Dear shareholder,

The Audit Committee (the **Committee**) supported the Board to provide independent challenge and oversight of the Group's financial reporting and internal controls. The Committee was focussed on supporting the Group to deliver its strategic priorities, including entering into a partnership with Ageas for motor and home insurance, alongside the sale of our Insurance Underwriting business, Acromas Insurance Company Limited (**AICL**).

Sharp focus was maintained on debt reduction and, in May 2024, our £150.0m senior unsecured bond was repaid through a combination of Available Cash[1] resources and a drawdown of £75.0m on the loan facility provided by Roger De Haan.

Discussions with our existing Revolving Credit Facility lenders were concluded to amend the facility to extend the maturity date from 31 May 2025 to 31 March 2026, to provide the Group with greater financial flexibility, and the Group subsequently secured new credit facilities to successfully refinance our corporate debt in full and enhance the liquidity position to target long-term sustainable growth.

The Group's £250.0m 2026 bond was listed on the Irish Stock Exchange (Euronext Dublin). As a result of the Group securing the new credit facilities in January 2025, following the year end, this bond and the £75.0m drawn portion of the £85.0m loan facility provided by Roger De Haan were repaid.

Our report is structured to present an overview of how we fulfilled our role during the period, including oversight of the IAA function and management of the relationship with the external auditor, KPMG LLP (**KPMG**). We continued to work closely with the Risk Committee, and more detail on how the risk to our business strategy was assessed is set out in the Risk Committee Report on pages 75-76.

Reporting

Preliminary and interim results were reviewed and challenged, together with the application of key accounting policies and areas of significant judgement and how they were achieved. KPMG provided reports throughout the year, concentrating on areas identified as having significant audit risk.

CGR

During the year, the Audit and Risk Committees received updates from a CGR Steering Committee, which was established as a management group to address the changes to the UK Corporate Governance Code in respect of the risks and controls that would impact the Company and oversee the key workstreams of various project teams to deliver the new CGR requirements.

The Committee received regular updates and oversight on the phased implementation of a new cloud-based general ledger system to replace the Company's existing system. The project aims to standardise processes and simplify and improve the controls environment, replacing existing legacy finance systems.

Significant issues

The Committee exercises its judgement in determining the accounting matters that are of particular importance to the financial statements. Any such matters are subject to discussions between senior management, the Group Chief Financial Officer and KPMG as part of the audit process.

Liquidity, going concern and viability

The Committee performed a detailed review of the Group's projected cash flow, borrowing capacity and the covenants within its borrowing facilities, based on papers prepared by management. Throughout the year, the Committee discussed management's ongoing measures to reduce central operating costs, while also considering options to reduce Net Debt[1] and explore alternative liquidity options.

Find out more in:

Note 2.1 of the financial statements on page 111

Viability Statement on page 53

Independent Auditor's Report to the Members of Saga plc on pages 98-105

Valuation of insurance contract liabilities

Following the adoption of International Financial Reporting Standard (**IFRS**) 17 'Insurance Contracts', the valuation of insurance contract liabilities continued to be based on significant estimates and the application of an appropriate discount rate to liabilities incurred for claims. The Committee reviewed and challenged the key judgements relating to the estimate of the core actuarial best estimate liability, which is based on historical loss data. It also reviewed the adjustment to the actuarial best estimate in respect of events not in data and the distribution of ultimate claim costs around the best estimate, including, and specifically, ultimate claim costs at the 85% confidence level which drives the IFRS 17 risk adjustment.

Find out more in:

Note 28 of the financial statements on pages 159-162

Independent Auditor's Report to the Members of Saga plc on pages 98-105

Valuation of goodwill

The Committee reviewed the impairment assessments of the Insurance Broking goodwill balance at 31 July 2024 and 31 January 2025 and considered the assumptions made by management in relation to the calculation of the discount and terminal growth rates.

The Committee considered the robustness of the underlying cash flow forecasts in determining the impairment of £138.3m recognised in July 2024, and in reaching the conclusion that no further impairment was required at 31 January 2025.

Find out more in:

Note 16 of the financial statements on pages 139-140

Independent Auditor's Report to the Members of Saga plc on pages 98-105

Valuation of the parent company's investment in subsidiaries

The recoverability of the carrying value of the investment in subsidiaries held on the balance sheet of the Company was evaluated by the Committee. Cash flow forecasts, discount rates, valuation methodology and stresses were all considered as part of management's analysis used in the calculation to determine that a release of impairments recorded in previous years of £492.0m would be recognised at 31 January 2025.

Find out more in:

Note 2 of the Company financial statements on page 181

Independent Auditor's Report to the Members of Saga plc on pages 98-105

Valuation of Ocean Cruise ships

The Committee reviewed indicators of impairment for the Group's Ocean Cruise ships at 31 July 2024 and 31 January 2025. Management reviews concluded that there were no new indicators of impairment at either date. Analysis considered key elements of the trading outlook, change in the useful economic lives and the residual values of the assets due to any changes in climate change, the discount rate and technological obsolescence.

Find out more in Note 17 of the financial statements on pages 140-141

1 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Disposal group held for sale

The Committee reviewed the judgement made by management in determining that the criteria for classification of the AICL disposal group as held for sale and as a discontinued operation had been met at 31 January 2025.

The Committee considered the carrying value of the net assets of the AICL disposal group at 31 January 2025, compared with the expected fair value of disposal proceeds less costs to sale. An impairment of £6.9m was identified as a result. Since there are no non-current assets within the scope of IFRS 5, against which the impairment identified by management can be allocated, the impairment loss will be recognised at the time of disposal.

Find out more in Note 38 of the financial statements on pages 171-175

Carrying value of other material assets

Other items of the Group's property, including plant and equipment, held for sale properties, River Cruise ships and software intangibles were reviewed by the Committee for indicators of impairment. Analysis considered key elements of the trading outlook, change in the useful economic lives and the residual values of the assets due to changes in the business model and technological obsolescence. Impairments of £28.1m were recognised in the year in respect of software assets, reflecting changes to the future business model for our motor and home insurance products, following announcement of the Ageas partnership.

The Committee considered whether any buildings recognised as held for sale at the balance sheet date still met the IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' criteria. Our Enbrook Park office was reclassified to property, plant and equipment, following a review of the strategy for this property and the planned re-opening of the office as a colleague hub in 2025. The Committee also challenged the basis of any updated valuations for those properties remaining classified as held for sale.

Find out more in Notes 15, 17, 18 and 38 of the financial statements on pages 138, 140-142 and 171-175

Defined benefit pension scheme

The Group continued to make payments of £5.8m (2024: £5.8m) to the defined benefit pension scheme as part of the deficit recovery plan agreed under the latest triennial valuation of the scheme at 31 January 2023. The 31 January 2023 triennial valuation was completed during the year and revised contribution amounts were agreed as part of the deficit recovery plan for the defined benefit pension scheme.

The Committee reviewed the assumptions made by the Group's pension scheme advisers in calculating the valuation of the scheme in accordance with International Accounting Standard 19 'Employee Benefits' at 31 July 2024 and 31 January 2025.

Find out more in Note 27 of the financial statements on pages 155-158

Restructuring provision

The Committee reviewed the judgements and estimates made by management in recognising a provision of £16.5m at 31 January 2025 in relation to direct costs associated with the restructuring programme for the Group's Insurance Broking operations.

Find out more in Note 31 of the financial statements on page 166

Internal control observations of the external auditor

As part of the audit, the Committee considered internal control observations identified by KPMG, and management attended Committee meetings to provide context and assurance regarding appropriate actions.

Accounting policies

The Committee received reports from management in relation to significant accounting policies and was satisfied that suitable key accounting policies had been adopted, and judgements were appropriate and provided a true and fair view of the Company's financial performance and position.

Fair, balanced and understandable

A key governance requirement is for the Board to ensure that the Annual Report and Accounts and financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee advised the Board that it supported the statement made on page 57. This was following consideration of whether:

- the report was clear and presented a balanced view of successes, challenges, opportunities and risks;
- key messages were prominent and key performance indicators (**KPIs**) were disclosed at an appropriate level;
- the segmental information provided in Note 3 of the financial statements was consistent with, and reconciled to Alternative Performance Measures and other information disclosed in the Strategic Report; and
- Alternative Performance Measures were reconciled with the closest IFRS measure in the financial statements, and the definitions provided were explained.

Going concern and viability

The going concern basis of preparation disclosure note is set out on page 111, and the Viability Statement, and the methodology for assessing the Group's ongoing viability, is set out on page 53.

The current position of the Group, the principal risks and uncertainties (as reviewed and refreshed by the Risk Committee and detailed on pages 49-52) and the methodology used to assess the ongoing viability over the five-year period were reviewed by the Committee. A base case and severe but plausible scenario were used to perform the going concern assessment and the Committee reviewed the key assumptions in each scenario modelled.

Audit and control

Internal controls

The Committee reviewed the outcome of the audits of key financial controls. The Group Financial Controller provided an update on accounting issues and the key aspects of financial controls at each meeting. The Committee received updates on regulatory developments and the progress made with the Group's preparatory material controls work in readiness for the new CGR requirements. The Committee also received regular updates from management on the progress of plans to replace the Group's core general ledger accounting system. The impact and acceptable level of risk for this project was also considered by the Risk Committee.

Find out more in our Risk Committee Report on pages 75-76

Financial crime and Speak Up reporting

Policies covering financial crime (including anti-bribery, anti-corruption, anti-fraud, anti-money laundering and treasury sanctions, and asset freezing) were reviewed internally during the year and the Committee noted that a further review was underway to incorporate the scope of the Economic Crime and Corporate Transparency Act 2023 as part of the CGR preparatory work. Speak Up Policy and processes were reviewed against best practice to ensure continued integrity and effectiveness, and to encourage colleague engagement. Following an independent review by management, this year we introduced a third-party independent reporting route to further enhance the existing processes.

The Speak Up Policy was recommended for Board approval by the Committee, which was granted in April 2024. It is my responsibility to ensure the integrity, independence and effectiveness of the Company's Speak Up Policy and procedures. The Committee reviewed all reported cases and concluded that these had been handled in accordance with the policy or, where applicable, exceptions noted accordingly.

CORPORATE GOVERNANCE STATEMENT

Audit Committee Report continued

IAA

The IAA work plan was approved and internal audits conducted throughout the year were considered. The audit plan was refreshed on a quarterly basis to maintain alignment with strategic objectives, and progress was appropriately reported by the IAA Director with amendments to the audit plan being considered and approved by the Committee. The Committee was satisfied that the IAA function, when combined with the use of external resource for specialised audits, was appropriately resourced. The IAA Director attended Committee meetings and provided regular reports on the progress of the IAA plan. Three private meetings were also held with the IAA Director throughout the year.

The Committee monitored whether the IAA function was able to exercise independent judgement from management throughout the year and was satisfied that this was the case.

The Committee was updated that the Chartered Institute of Internal Auditors (**CIIA**) had released revised Global Internal Audit Standards that were designed to support the continued evolution of the profession and help organisations address today's complex risk landscape. An assessment against the new standard was carried out and processes and controls updated accordingly.

A quality assurance and improvement programme, as required by the CIIA, was considered. The Committee concluded that the Internal Audit function complied with the CIIA's definition of internal auditing, the core principles of the Professional Practice of Internal Auditing and the Code of Ethics.

The Committee, in cooperation with the Risk Committee, monitored the work of the Risk, Compliance and IAA functions to ensure that their activities complemented each other appropriately. The KPIs reviewed included the timeliness of issuing reports and completing issues assurance. We approved the Internal Audit Charter and mandate, which is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Work conducted over the year was risk-based and covered both financial and non-financial controls. A selection is shown below:

- Key financial controls (plc and Saga Travel Group Limited).
- Pricing (AICL).
- Consumer Duty (Saga Services Limited (**SSL**) and Saga Personal Finance Limited (**SPF**)).
- Design and operational effectiveness assessment of the internal risk and control environment.

Where improvements were identified, an action plan was agreed with management and appropriately tracked.

Internal Audit also presented their annual year-end review of the effectiveness of the risk management and controls framework. They found it reasonable for the Committee to conclude that, while areas for improvement were identified, the internal risk and control environment is broadly effective.

Find out more in:

Risk management on pages 47-48

Risk Committee Report on pages 75-76

Subsidiary audit committees

The Non-Executive Directors of the Company chair the SSL, SPF and AICL audit, risk and compliance committees; and the Non-Executive Director of Saga Cruises Limited who chairs the Risk and Assurance Committee, ensures that there is an adequate level of oversight and that matters are escalated to the Committee as appropriate.

External audit

KPMG was appointed as the Company's external auditor for the financial year ended 31 January 2018 (following a competitive tender process in 2016/17) and has been re-appointed annually since then. Timothy Butchart has been the audit partner from the start of the 2022/23 audit. In accordance with the FRC's audit committees and external audit: minimum standard, and the Company's Independent Auditor Policy, the Company proposes to complete a competitive re-tender process in 2026 in respect of the 2027/28 audit.

Audit planning

KPMG presented an audit plan for the financial year, together with an outline of its risk assessments, materiality thresholds and planned approach. The key aspects of the plan are set out in the Independent Auditor's Report to the Members of Saga plc on pages 98-105.

The Committee considered the audit scope, materiality and coverage, areas of audit focus and KPMG's planned response to identified significant audit risks, taking size, complexity and susceptibility to fraud and error into account. The Committee also considered, and approved, KPMG's engagement terms and fee proposal for 2024/25.

Auditor independence and non-audit fees

During the year, the Committee met once with the external auditor without members of management being present. The Committee continually monitored and challenged the independence and objectivity of KPMG and independence was confirmed by the auditor throughout the year in letters addressed to the Committee.

In accordance with the Revised Ethical Standard issued by the FRC in 2024, the Committee has a robust Auditor Independence Policy on non-audit fees and employment of former employees of the external auditor. The policy contains a list of non-audit services, which the Committee is satisfied can be carried out by the external auditor without affecting its independence as external auditor. There are clear approval levels where the Committee Chair, or the whole Committee, is required to authorise assignments. The Auditor Independence Policy was reviewed on 30 September 2024. The audit fees payable to KPMG in respect of the year ended 31 January 2025 were £2.2m (2024: £2.2m) and non-audit service fees incurred were £0.5m (2024: £0.3m). This equates to a non-audit to audit fee ratio of 0.2 (2024: 0.1). A summary of fees paid to the external auditor is set out in Note 5 to the consolidated financial statements on page 131.

Audit quality and effectiveness of external auditor

The following were considered when assessing the effectiveness of KPMG:

- Our perception of KPMG's understanding and insight into the Group's business model.
- How key areas of judgement were approached by KPMG, the extent of challenge and the quality of reporting.
- The content of, and management's responsiveness to, KPMG's management letter.
- Feedback from management, following completion of an evaluation survey on the audit process (including audit scope, audit communication, independence and objectivity).

The evaluation concluded that the external auditor had run the audit process well, retained a high level of independence and had thoroughly, and fairly, challenged the key accounting judgements and estimates. The conclusion was that the audit was judged to be good quality.

The Committee is satisfied that the audit continues to be effective and provides independent and objective challenge to management. A recommendation was made to the Board for the re-appointment of KPMG as the Company's auditor at the forthcoming Annual General Meeting.

Gareth Hoskin
Chair, Audit Committee

Risk Committee Report

> The Committee continued to provide independent challenge and oversight to assess the top risks facing the business, the design and effectiveness of critical controls, together with monitoring risk maturity and supporting the business in responding to the challenges it faced."

Julie Hopes
Chair, Risk Committee

The Committee's responsibilities

- Review and advise the Board on the Group's overall risk appetite, tolerance, strategy and risk assessment processes.
- Oversee and advise the Board on current risk exposure and future risk strategy.
- Monitor the effectiveness of the Group's risk management and internal control systems and conduct risk management procedures.
- Monitor principal risks and uncertainties (**PRUs**).
- Consider the Group's capability to identify, and manage, new and emerging risk.
- Provide qualitative and quantitative advice to the Remuneration Committee on risk weightings.
- Review material breaches of risk limits and adequacy of action.

The Committee's Terms of Reference were reviewed during the year (approved by the Board on 28 January 2025) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

An evaluation of the Committee's effectiveness took place during the year, as part of the Board effectiveness review (for details, see page 68).

The review indicated that there was the right balance of maintaining strategic oversight, while understanding the detail associated with the principal risks to the business. It was felt that the key issues facing the Group were robustly discussed and that the meetings were chaired effectively, with an appropriate level of challenge. It was acknowledged that the Committee will become more forward-looking as risk maturity continues to improve.

Key actions in 2024/25

- Oversight of PRUs focussing on the liquidity/debt refinancing, cyber, Environmental, Social and Governance (**ESG**) and data risks.
- Reviewed updates on Information Security and projects to improve business critical Information Technology (**IT**) systems, with focus on replacement of the general ledger accounting system.

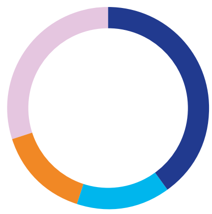
Priorities for 2025/26

- Establishing how the Committee can support the Board in forming a common view of the key risks to the business, agree appropriate risk appetites and support Executive Directors and management accordingly.
- Continued review and monitoring of Corporate Governance Reform (**CGR**) that is relevant to the Committee ahead of implementation.
- The general ledger accounting system change, as the project moves towards completion.

What we did during the year

Time spent on matters

Management and reporting	**c.40%**
Risk strategy, policy and appetites	**c.15%**
Compliance	**c.15%**
Data risk control	**c.30%**



Committee composition and attendance

Members (all are independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Julie Hopes (Chair)	4 Apr 2019	5	✓✓✓✓✓
Gemma Godfrey	17 Nov 2022	5	✓✓✓✓✓
Gareth Hoskin	31 Dec 2020	5	✓✓✓✓✓

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Risk Committee Report continued

Dear shareholder,

During the year, the Risk Committee (the **Committee**) continued to provide independent challenge and oversight to assess the top risks facing the business, the design and effectiveness of critical controls, together with monitoring risk maturity and supporting the business in responding to the challenges it faced. Effective risk management protects our assets, reputation and brand and supports delivery of our strategy.

We remained focussed on oversight of the continual enhancement of the Group's cyber and security controls, in line with the ever-changing external threat environment, and significant progress was made to bring the cyber PRU back within appetite. Work to improve the Group's liquidity was ongoing throughout the year, concluding with an extension of the maturity dates on our existing Revolving Credit Facility, and a new facility provided by certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries (**HPS Funds**) to refinance our corporate debt in full, mitigating our liquidity PRU exposure.

Management and reporting

The Committee considered the rationale behind the selection of the Group's PRUs. The PRUs were reviewed at each meeting and refreshed regularly during the year, ensuring that new and emerging risks and opportunities were captured and remained at the forefront of the Group's strategic planning.

The Committee considered the impact of the sale of Acromas Insurance Company Limited, the partnership with Ageas SA/NV and the refinancing agreed with HPS Funds. This formed part of the strategic mitigating action towards the liquidity risk/debt refinancing and the capability and capacity PRUs identified.

Find out more in principal risks and uncertainties on pages 49-52

The Committee received updates throughout the year from the CGR Steering Committee, which was established during the year as a management group to address changes to the UK Corporate Code (the **Code**).

Risk management, compliance and internal controls

In collaboration with the Audit Committee, the effectiveness of the Group risk management framework and internal control systems was discussed and all material financial, operational and compliance controls were considered. The Committee concluded that the internal risk and control environment was broadly effective, with appropriate controls to mitigate key risks. The Group will continue to take action to enhance the customer experience, strengthen risk management processes and embed management actions and risk maturity across its businesses.

We recommended to the Board that the appropriate statements could be made, confirming that a robust assessment of emerging and principal risks facing the Group, and a review of the effectiveness of the risk management process, had been carried out (see pages 47-48).

Risk strategy, policy and appetite

Changes and additions to the PRUs were reviewed and challenged, in line with the agreed strategy and business model, and the results of this review are shown in the Strategic Report on pages 49-52. These formed the basis of the scenario testing used to produce the Viability Statement (see page 53).

Our risk management processes are described on pages 47-48. These are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Find out more in risk management on pages 47-48

We reviewed the Group risk appetites and framework during the year. We continue to benchmark progress in risk maturity against the principles set by industry best practice.

The Risk Policy was considered and it was determined that no material changes were required. The Risk Policy continued to facilitate clear direction and remained effective in helping the Company address risk appetite.

Liquidity risk/debt refinancing

The Committee reviewed how management addressed the risk associated with its funding, including those associated with repaying or refinancing this funding at maturity. The Committee supported management proposals to progress its refinancing options, which were successfully completed.

Cyber risk

The Chief Information Officer was responsible for mitigating the risk associated with the increased threat from cyber attacks. The Committee was informed that the Company had taken mitigating actions, including an ongoing vulnerability management programme, that contained industry benchmarking and external penetration testing, a broad range of systems and tools to actively detect and respond to cyber threats, and a strategy to further reduce the Company's footprint of potential system targets.

Capability and capacity

The Committee monitored the capability and capacity risk arising from the significant strategic objectives that the Company was committed to delivering and the substantial resource required to do this. The Committee supported management's plan to mitigate the risk, which included retention of key colleagues and a review and optimisation of the Company's operating model, ensuring it supported the delivery.

General ledger accounting system change

The replacement of the general ledger system aims to standardise processes, simplify and improve the control environment through replacing existing legacy finance systems. The Committee continued to discuss the risks associated with the proposed replacement of the general ledger accounting system and it remains a challenge due to pressures from competing strategic priorities within the Company. The Committee continued to have oversight of the project risk, receiving regular updates from management and the business unit risk and audit committees. To reduce the impact to other strategic priorities and risk, the Committee supported an extension to the project delivery plan.

ESG

The Committee was aware that the Company was actively delivering against the ESG strategy, with robust governance controls for ESG implemented.

Julie Hopes
Chair, Risk Committee

DIRECTORS' REMUNERATION REPORT

Annual Statement

> The Committee's aim is to ensure that our approach to rewarding colleagues at all levels is aligned to our business strategy, which places customer service and colleague engagement at its core."

Julie Hopes
Chair, Remuneration Committee

The Committee's responsibilities

- Set and monitor the Remuneration Policy (the **Policy**) for senior executives, considering the relevant legal and regulatory requirements and all relevant factors to ensure alignment with delivery of value over the long term.
- Determine and monitor remuneration packages for Executive Directors, the Chairman and senior management.
- Review workforce remuneration and incentive programmes to encourage desirable culture, behaviour and responsible risk taking.
- Determine all aspects of share-based incentive arrangements.
- Review and administer colleague share schemes.
- Set key performance indicators (**KPIs**) for the Annual Bonus Plan and long-term incentives.
- Prepare a Directors' Remuneration Report annually.

The Remuneration Committee's Terms of Reference were reviewed during the year (approved by the Board on 28 January 2025) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

An evaluation of the Committee's effectiveness took place during the year, as part of the Board effectiveness review (for details, see page 68).

The review indicated that the Committee was well run, with discussion focussed on the right topics and the impact of decisions on all stakeholders was considered throughout, leading to fair outcomes. The proposed options for the Policy were scrutinised to ensure that the Policy had the right balance of performance and retention. Respondents felt that there was robust discussion around performance targets, measures and benchmarking and that the Committee was kept informed of the views of the wider workforce via the People Committee.

Key actions in 2024/25

- Approved salary increases as part of the annual salary review, and levels of bonus awards.
- Approved targets for our annual bonus scheme.
- Made grants under the Restricted Share Plan (**RSP**) and recommended a Free Share award for all colleagues.
- Reviewed the Policy and began engaging with shareholders.

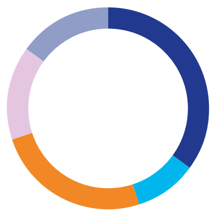
Priorities for 2025/26

- Complete Policy review, ensuring alignment with the Company's strategic direction.
- Continue to set and monitor remuneration, ensuring this evolves and supports our strategy.
- Continue to ensure that Executive Director and senior management remuneration is aligned with the wider workforce.

What we did during the year

Time spent on matters

The Policy	c.35%
Regulatory developments	c.10%
Senior management remuneration	c.25%
Share schemes	c.15%
Colleague compensation and benefits structure	c.15%



Committee composition and attendance

Members (all are independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Julie Hopes (Chair)	4 Apr 2019	5	✓✓✓✓✓
Peter Bazalgette[1]	17 Nov 2022	5	✓✓✓✓✓
Gemma Godfrey	17 Nov 2022	5	✓✓✓✓✓

1 Peter Bazalgette resigned from the Board with effect from 9 April 2025. Gareth Hoskin became a member of the Committee with effect from the same date

Annual Statement continued

Dear shareholder,

I am pleased to present to you the Directors' Remuneration Report for the year ended 31 January 2025 which has been approved by both the Remuneration Committee (the **Committee**) and the Board.

Business context

This year posed challenges to the business, given continued market and economic uncertainty alongside changes in the Government. Despite this, Saga delivered a strong underlying financial performance, reflecting growth in both revenue and Underlying Profit Before Tax[1], driven by the exceptional performance of our Cruise and Holidays businesses. Net Debt[1] continued to reduce year on year.

This demonstrates the progress that has been made under our new Executive Leadership Team.

Ocean and River Cruise continue to go from strength to strength, increasing occupancy and securing strong forward bookings going into 2025/26. We expect to continue the growth of our River Cruise business through the introduction of our new ship, Spirit of the Moselle, joining our fleet in July 2025. Growth also extends into our Holidays business, with higher booked revenue than the prior year, alongside an increase in the number of passengers.

Turning to our Insurance businesses, Saga is currently undertaking a series of strategic shifts, including the sale of our Insurance Underwriting business, Acromas Insurance Company Limited (**AICL**), and the transfer of our motor and home Insurance Broking operations to wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**). The execution of these, and other strategic priorities, will remain the focus in the near term. A number of colleagues in these business areas will also transfer upon successful completion of these transitions.

In the financial year, we successfully refinanced our corporate debt in full. As planned in May 2024 the Group repaid the £150.0m senior unsecured bond drawing down £75.0m of the £85.0m loan facility provided by Roger De Haan.

In summary, our Leadership Team made significant progress in the early stages of implementing our growth plans, despite continuing to operate in a challenging and complex environment. I am pleased to report the progress made, and we remain focussed on expanding our customer base and advancing the business going forward.

Company performance for the 2024/25 financial year

The implementation of our strategy (as outlined on pages 8-13) was measured against the KPIs set out below:

- Total Underlying Profit Before Tax[1] increased £9.6m to £47.8m.
- Net Debt[1], at 31 January 2025, was £590.5m, £46.7m lower than 31 January 2024.
- Customer consent capture of 37% across the Group, higher than the target set of 30%. This is a revised approach to capturing marketing consent and, as such, there are no historical comparisons available.
- Customer transactional net promoter score of 59, flat when compared with the prior year.
- Colleague engagement increased across Saga, with our most recent survey scoring 7.9 out of 10, an improvement of 1.3 from January 2024.

Changes to the Board

There were no changes to the Board during the year.

Peter Bazalgette, Senior Independent Director, and Steve Kingshott, Executive Director, both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model. Full details of leaving arrangements will be disclosed in next year's Directors' Remuneration Report.

Remuneration outcomes in FY24/25

Salary increases for 2024/25

During 2024/25, Executive Directors did not receive an increase in salary. The average increase awarded to the broader colleague group was 4.0%.

2024/25 bonus

The assessment of annual performance for the Executive Directors is 70% based on business performance against a scorecard of financial targets, with the remaining 30% based on their achievement of personal objectives, which are central to delivery of the strategy and operating model. The specific targets set are shown on pages 83-85, together with the degree of achievement of each.

The Committee's assessment of performance against the financial targets resulted in a final outcome of 57.4% out of the maximum 70% for the Group Chief Executive Officer (**CEO**) and Group Chief Financial Officer (**CFO**), and 45.9% out of the maximum 70% for the Executive Director (previously CEO of Insurance). The Committee considered this outcome, in light of overall business performance and the stakeholder experience during the year. The Committee determined that the outcome was a fair reflection of both the financial performance and the strategic progress made during the year. The Committee noted a number of key achievements including securing the Ageas partnership, improved profitability of the Holidays business and delivering results ahead of expectations.

The Committee reviewed each Executive Director's individual performance during the year against a number of bespoke objectives, and determined that the outcomes for Mike Hazell, Mark Watkins and Steve Kingshott, would be 27.5%, 27.5% and 27.7% out of the maximum 30.0% respectively. Further details of each Executive Director's individual contribution to the business can be found on pages 84-85.

Page 83 sets out the calculation for the 2024/25 bonus, which paid out at 84.9%, 84.9% and 73.6% of maximum for the Group CEO, CFO and Executive Director (previously CEO of Insurance) respectively.

Mike Hazell will receive a bonus of £764,295, Mark Watkins will receive a bonus of £398,070 and Steve Kingshott will receive a bonus of £379,143.

In line with our approved Policy, all bonus awards are paid one-third in deferred shares and two-thirds in cash.

2021 RSP vesting

RSP awards were made in 2021 to the former Group CEO and CFO at 100% of salary and 85% of salary respectively.

On vesting, the Committee carried out an assessment of the RSP to determine whether the underpin test had been met and whether the awards would result in a windfall gain on vesting. The Committee concluded that the terms of the underpin had been met and that there were no windfall gains over the vesting period. However, when considering overall business performance over the three-year vesting period, the Committee deemed it appropriate to exercise its discretion to apply a 10% reduction to the award at the point of vesting.

The 2021 RSP, therefore, vested at 90% of the maximum.

Remuneration changes for 2025/26

Policy review

Our Policy is due for approval at the 2025 Annual General Meeting (**AGM**) and, over the course of the year, the Committee undertook a comprehensive review of the existing Policy. The Committee engaged with shareholders and feedback from this process will be taken into account in determining our Policy for shareholder approval.

To provide shareholders with full disclosure of the Policy, which will be voted on at the 2025 AGM, full details of the proposal will be included in the 2025 AGM Notice of Meeting.

1 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Salary increases for 2025/26

The Group CEO received a salary increase of 2.5%, in line with the wider workforce rate. His salary for 2025/26 will be £615,000.

The Group CFO was internally promoted into the role at a salary of £375,000, which was around 17% lower than his predecessor. Since his promotion to the Board, the Group CFO performed well, successfully delivering on a number of strategic objectives, including managing the short-term liquidity needs of the Group during 2024. The Group CFO also supported the broader refinancing of the 2026 bond, which will help to address the near-term debt maturities as well as providing the Group with additional liquidity, if required. In light of the achievements, the Committee determined that a 10% increase in salary was appropriate, taking his salary to £412,500.

The Executive Director (previously CEO of Insurance) received a salary increase of 2.5%, in line with the wider workforce rate. His salary for 2025/26[2] will be £422,300.

Where time was allocated during the year – matters discussed, decisions made, and actions taken

- Approved Executive Director and Operating Board salary increases as part of the annual salary review for 2025/26.
- Approved the business and personal metrics for the 2024/25 annual bonus. Details of the personal objectives for the Executive Directors can be found on pages 84-85.
- Determined the level of bonus awards for 2024/25.
- Made grants under the RSP for the Operating Board and Senior Leadership Team.
- Recommended that the Board approve the award of Free Shares to all eligible colleagues in June 2024.
- Reviewed and approved the scheme rules of the RSP and Deferred Bonus Plan.
- Reviewed progress against the actions to reduce our gender pay gap and discussed the Company's wider diversity, equity, inclusion and belonging strategy.
- Noted the voting results on our Directors' Remuneration Report at the 2024 AGM and continued our constructive dialogue with shareholders.
- Discussed how the Committee would review wider workforce pay and ensure alignment of incentives throughout the Company with its culture and strategy.
- Reviewed the Policy and began preparations to consult on the changes with shareholders.

Wider workforce considerations

In making decisions on executive pay, the Committee considers wider workforce remuneration and conditions, as outlined on pages 88-89.

We continue to be as focussed on our colleagues as we are on our customers. The Committee's aim is to ensure that our approach to rewarding colleagues at all levels is aligned to our business strategy, which places customer service and colleague engagement at its core.

We continue to engage with colleagues on executive reward matters through our People Committee, which I attend regularly. Further details of our People Committee can be found in our 2025 Environmental, Social and Governance Report.

As part of our commitment to fairness, this report contains details of the pay and conditions of our wider workforce, the cascade of incentives throughout our business, and our Group CEO to colleague pay ratio. Details of Saga's gender pay report can be found on our website (www.saga.co.uk/gender-pay-review).

Shareholder consultation and looking ahead

The Committee continues to uphold an open and constructive dialogue with shareholders. As with the prior year, we consulted with major shareholders on the decisions made in respect of the financial year. As a result, we received a voting outcome of 87.62% in support of the 2024 Directors' Remuneration Report. We will continue to engage with shareholders and seek to incorporate feedback within our future remuneration decisions.

Looking ahead to 2025/26, the Committee is undertaking a consultation with shareholders in the lead up to the 2025 AGM, ahead of a binding vote on the proposed Policy. As part of this, I am engaging with our largest shareholders to listen to their views and address any questions or concerns. Feedback from this process will be taken into account in determining our Policy for shareholder approval at the 2025 AGM. As noted above, full details of the proposals will be included in the 2025 AGM Notice of Meeting.

Conclusion

I hope you find the information contained in this report helpful, thoughtful and clear.

I am always happy to hear from our shareholders, and you can contact me at any time at remco.chair@saga.co.uk if you have any questions or comments on this report.

Julie Hopes
Chair, Remuneration Committee

2 Steve Kingshott resigned from the Board with effect from 9 April 2025

DIRECTORS' REMUNERATION REPORT

Remuneration at a glance

Remuneration in the Group

Total spend on pay[1]

£119.4m
2023/24 – £161.6m
2022/23 – £132.0m
2021/22 – £118.3m

Group CEO pay ratio to the median colleague

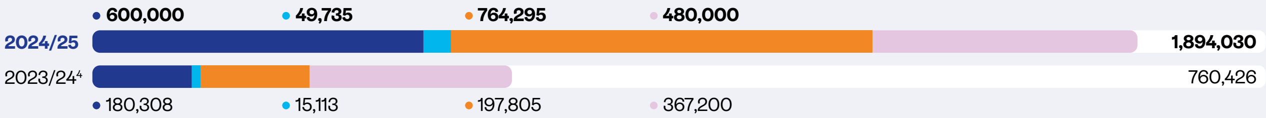
50:1
2023/24 – 63:1
2022/23 – 56:1
2021/22 – 76:1

General increase for all colleagues

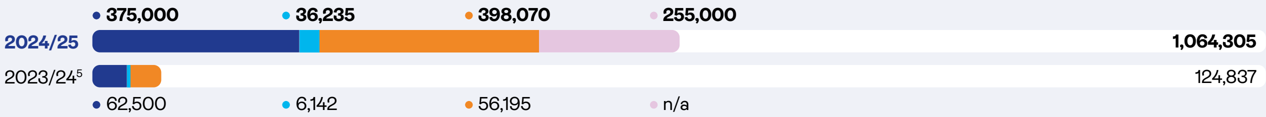
4.0%[2]
2023/24 – Nil[3]
2022/23 – 7.5%[3]
2021/22 – 1.5%

2024/25 Total single figure remuneration (£)

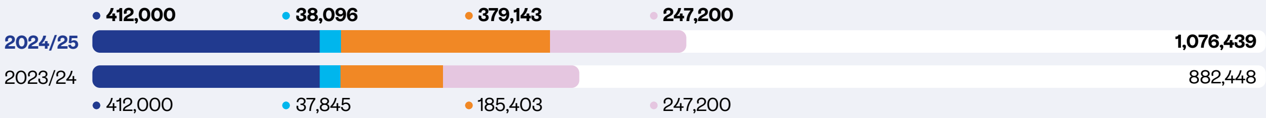
Mike Hazell
Group Chief Executive Officer (**CEO**)



Mark Watkins
Group Chief Financial Officer (**CFO**)



Steve Kingshott
Executive Director (previously CEO of Insurance)



Key

Salary | Benefits and pension | Bonus[6] | Restricted Share Plan (**RSP**)[7]

RSP awards vesting in 2024

No awards vested during the year for any current Executive Directors, however, the 2021 RSP vested on 9 April 2024 at 90% of maximum for the former Group CEO and CFO. The Remuneration Committee reviewed the performance of the award and made an adjustment to the final vesting level to take into account the experience and expectation of our shareholders and the value of their shareholdings over the life of this award.

Director	Face value of award (% of salary)	Shares awarded	Value of award at grant (£)	End of vesting period	Pro-rated for stepping down	Proportion of award vesting as percentage of maximum	Number of shares vesting	Value of award vesting (£)
Euan Sutherland Former Group CEO	100%	184,258	710,500	8 April 2024	168,903[8]	90%	152,012	179,070[8]
James Quin Former Group CFO	85%	94,787	365,500	8 April 2024	94,787	90%	85,308	100,493

1 Total spend on pay, including Executive Directors
2 Executive Directors did not receive any increase in salary in February 2024. The average increase awarded to the broader colleague group was 4.0%
3 All colleagues received a 2.5% increase in base pay in February 2022, with colleagues below senior leadership receiving a further increase of 5.0% in December 2022, which was brought forward from February 2023, to support colleagues with the rising cost of living
4 Mike Hazell became a Director on 9 October 2023 in the role of Group CFO and was appointed as the Group CEO on 28 November 2023
5 Mark Watkins became a Director on 28 November 2023
6 As per the Remuneration Policy (the **Policy**), a third of Executive Directors' bonus is deferred in shares, which vest after three years
7 RSP awards vest after three years
8 The RSP original award to the former Group CEO was pro-rated under the scheme rules, given his leave date was prior to the date of the award vesting

Shareholding of the Executive Directors

The table sets out the shareholdings of the Executive Directors at 31 January 2025. Further detail is set out on page 86.

Director	Shareholding requirement (% of salary)	Shares owned outright (% of salary)[9,10]	Shares subject to continued employment holding periods (% of salary)[10,11]
Mike Hazell Group CEO	250%	–	76%
Mark Watkins Group CFO	200%	–	43%
Steve Kingshott Executive Director (previously CEO of Insurance)	200%	–	102%

2024/25 Annual bonus outcome for the Group CEO and Group CFO

For 2024/25, the Group CEO and Group CFO had a maximum bonus opportunity of 150% of salary and 125% of salary respectively. The overall bonus outcome is set out in the table below. No discretion was applied to the formulaic outcome. Further details are set out on pages 83-85.

Performance condition	Weighting	Threshold (20% payout)	Target (50% payout)	Maximum (100% payout)	Outcome achieved (% of maximum bonus)
Total Underlying Profit Before Tax[12]	55.0%				42.9%
Net Debt[12]	15.0%				14.5%
Personal objectives	30.0%				Group CEO: 27.5% Group CFO: 27.5%
Total	**100.0%**				Group CEO: 84.9% Group CFO: 84.9%

2024/25 Annual bonus outcome for the Executive Director (previously CEO of Insurance)

For 2024/25, the Executive Director (previously CEO of Insurance) had a maximum bonus opportunity of 125% of salary. The overall bonus outcome is set out in the table below. Further details are set out on pages 83-85 in the Annual Report on Remuneration.

Performance condition	Weighting	Threshold (20% payout)	Target (50% payout)	Maximum (100% payout)	Outcome achieved (% of maximum bonus)
Total Underlying Profit Before Tax[12]	27.5%				21.5%
Total Insurance Underlying Profit Before Tax[12]	27.5%				9.9%
Net Debt[12]	15.0%				14.5%
Personal objectives	30.0%				27.7%
Total	**100.0%**				73.6%

9 Represents actual shares owned at 31 January 2025
10 Based on the mid-market quotation share price of 124.0p at 31 January 2025 and the year-end salaries of the Executive Directors
11 Represents unvested RSP awards and annual bonus deferred share awards
12 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

DIRECTORS' REMUNERATION REPORT

Annual Report on Remuneration

2024/25 Actual performance and remuneration outcomes

Single total figure of remuneration for Executive Directors for the 2024/25 financial year (audited)

The table below sets out the single total figure of remuneration and breakdown for each Director in respect of the 2024/25 financial year. Comparative figures for the 2023/24 financial year are also provided. Figures provided have been calculated in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended in 2013.

	Period	Salary £	Taxable benefits £	Pension £	Other £	**Total fixed £**	Bonus[1] £	Restricted Share Plan (**RSP**)[2] £	**Total variable £**	**Single figure £**
Mike Hazell[3] (Group CEO)	2024/25	600,000	13,735	36,000	–	**649,735**	764,295	480,000	**1,244,295**	**1,894,030**
	2023/24	180,308	4,267	10,846	–	**195,421**	197,805	367,200	**565,005**	**760,426**
Mark Watkins[4] (Group CFO)	2024/25	375,000	13,735	22,500	–	**411,235**	398,070	255,000	**653,070**	**1,064,305**
	2023/24	62,500	2,285	3,857	–	**68,642**	56,195	n/a	**56,195**	**124,837**
Steve Kingshott (Executive Director (previously CEO of Insurance))	2024/25	412,000	13,376	24,720	–	**450,096**	379,143	247,200	**626,343**	**1,076,439**
	2023/24	412,000	13,125	24,720	–	**449,845**	185,403	247,200	**432,603**	**882,448**
Roger De Haan (Non-Executive Chairman)	2024/25	Nil	–	–	–	**Nil**	–	–	**Nil**	**Nil**
	2023/24	Nil	–	–	–	**Nil**	–	–	**Nil**	**Nil**
Julie Hopes[5] (Non-Executive Director, Remuneration Committee Chair, Risk Committee Chair, Chair of Saga Services Limited)	2024/25	151,000	–	–	–	**151,000**	–	–	**–**	**151,000**
	2023/24	141,834	–	–	–	**141,834**	–	–	**–**	**141,834**
Gareth Hoskin (Non-Executive Director, Audit Committee Chair, Chair of Acromas Insurance Company Limited (**AICL**))	2024/25	141,000	–	–	–	**141,000**	–	–	**–**	**141,000**
	2023/24	141,000	–	–	–	**141,000**	–	–	**–**	**141,000**
Gemma Godfrey (Non-Executive Director, Chair of Saga Personal Finance (**SPF**) Limited)	2024/25	131,000	–	–	–	**131,000**	–	–	**–**	**131,000**
	2023/24	131,000	–	–	–	**131,000**	–	–	**–**	**131,000**
Peter Bazalgette (Senior Independent Non-Executive Director, Nomination Committee Chair)	2024/25	115,500	–	–	–	**115,500**	–	–	**–**	**115,500**
	2023/24	115,500	–	–	–	**115,500**	–	–	**–**	**115,500**
Anand Aithal (Non-Executive Director, Innovation and Enterprise Committee Chair)	2024/25	75,500	–	–	–	**75,500**	–	–	**–**	**75,500**
	2023/24	75,500	–	–	–	**75,500**	–	–	**–**	**75,500**

1 A third of the bonus award is deferred into shares vesting after three years
2 The face value on grant of the RSP awards is shown in the table above as there are no performance conditions other than underpins tested on vesting. The RSP award vests after three years
3 Mike Hazell became a Director on 9 October 2023 in the role of Group CFO and was appointed as the Group CEO on 28 November 2023
4 Mark Watkins became a Director on 28 November 2023
5 Julie Hopes became the Chair of the Remuneration Committee on 31 December 2023

How we performed in 2024/25

Bonus (audited in conjunction with details on pages 132-133)

The details of the performance conditions and outcomes against the targets for the annual bonus in respect of the 2024/25 financial year are shown in the table below. No discretion was applied to the formulaic outcome. For 2024/25, the Group CEO had a maximum bonus opportunity of 150% of salary and the Group CFO and Executive Director had a maximum bonus opportunity of 125% of salary.

Saga plc bonus scorecard

Performance condition	Weighting (based on 100% max)	Threshold performance required (£m)	50% Target performance required (£m)	Maximum performance required (£m)	Actual performance (£m)	Annual bonus for threshold and maximum performance (% of max)	Actual annual bonus achieved (% of maximum bonus)	
							Mike Hazell	Mark Watkins
Total Underlying Profit Before Tax[6]	55.0%	33.3	40.8	53.3	47.8	20% 100%	42.9%	42.9%
Net Debt[6]	15.0%	638.5	619.8	588.5	590.5	20% 100%	14.5%	14.5%
Personal objectives	30.0%					0% 100%	27.5%	27.5%
Total	100.0%						84.9%	84.9%
Total calculated (£)							£764,295	£398,070
Total payable (£)							**£764,295**	**£398,070**

Insurance bonus scorecard

Performance condition	Weighting (based on 100% max)	Threshold performance required (£m)	50% Target performance required (£m)	Maximum performance required (£m)	Actual performance (£m)	Annual bonus value for threshold and maximum performance (% of max)	Actual annual bonus achieved (% of maximum bonus)
							Steve Kingshott
Total Underlying Profit Before Tax[6]	27.5%	33.3	40.8	53.3	47.8	20% 100%	21.5%
Total Insurance Underlying Profit Before Tax[6]	27.5%	23.1	26.9	33.1	25.1	20% 100%	9.9%
Net Debt[6]	15.0%	638.5	619.8	588.5	590.5	20% 100%	14.5%
Personal objectives	30.0%					0% 100%	27.7%
Total	100.0%						73.6%
Total calculated (£)							£379,143
Total payable (£)							**£379,143**

6 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Annual Report on Remuneration continued

Individual performance assessment

The Remuneration Committee (the **Committee**) assessed Executive Directors on their individual performance in the year, against a set of universal strategic objectives, which account for 30% of their maximum bonus. Details of these universal strategic objectives for each of the individuals are noted below:

Objective	Weighting (based on 100% max)		20% threshold performance required	50% target performance required	Maximum performance required	Actual performance	Actual annual bonus achieved (% of maximum bonus) Mike Hazell	Mark Watkins	Steve Kingshott
Culture and colleagues									
Objective Maintain high levels of colleague engagement, measured by the engagement score from the colleague survey.									
Outcome Increased colleague engagement across Saga; 93% participation in our most recent survey, scoring 7.9 out of 10, an improvement of 0.3 from June 2024 and 1.3 from January 2024.	5.0%	Saga plc	6.6	7.0	7.4	7.9	5.0%	5.0%	–
		Insurance	6.6	7.0	7.4	7.7	–	–	5.0%
Customer base									
Objective Grow our customer base and deepen customer relationships, measured by customer consent capture and cross-sell opportunities.									
Outcome – Customer consent To grow our customer base and deepen the relationships with our customers, we changed our approach to capturing marketing consent last year. Previously, we could only market products for a specific business area, however, we now ask for broader consent, allowing us to promote a wider range of products from across the Group to a larger number of customers. Achieved 37% opt-in across the Group, compared with the target of 30%.	2.5%	Saga plc			30%	37%	2.5%	2.5%	–
		Insurance			30%	42%	–	–	2.5%
Outcome – Cross-sell Action taken to create cross-sell opportunities in future years, including the launch of mySaga functionality, adding product tiles to each product page and the introduction of a Saga directory in all printed magazines and key brochures.	2.5%	Saga plc					2.5%	2.5%	–
		Insurance					–	–	2.5%
Customer satisfaction									
Objective Increase the strength of the Saga brand, using the Saga Voice of the Customer to improve customer experience, measured by customer transactional net promoter score (**tNPS**).									
Outcome – tNPS Group customer tNPS was flat when compared to last year, reflecting higher scores across Cruise resulting in threshold achievement at a Group level.	2.5%	Saga plc	59	60	61	59	0.5%	0.5%	–
		Insurance	59	60	61	61	–	–	2.5%
Outcome – Retention rates Retention rates exceeded target thresholds across all areas of the business.	2.5%	Saga plc	Average of outcomes from all business units				2.0%	2.0%	–
		Insurance	77%	79%	81%	78%	–	–	0.7%
Environmental, Social and Governance (ESG)									
Objective Achieve the ESG targets set by the Board.									
Outcome 1. 95% of colleagues completed and passed set criteria for training on the basics of ageing, compared with the target of 90%. 2. Scope 3 greenhouse gas emissions footprint calculated and published. 3. Partnership with charities for ocean and biodiversity projects. 4. Colleague diversity survey launched in May 2024, with a 44% participation rate.	5.0%	Saga plc					5.0%	5.0%	–
		Insurance					–	–	5.0%
Personal growth objective									
Outcome Details of the individual objectives under personal growth projects, and their assessment are noted overleaf.	10.0%						10.0%	10.0%	9.5%
Overall	**30.0%**						**27.5%**	**27.5%**	**27.7%**

Individual performance assessment continued

Details of the individuals' achievements are set out in the tables below.

Personal growth project overview	Committee assessment and basis of achievement for 2024/25
Mike Hazell – Maximum: 10.0% of overall bonus. Achievement: 10.0% of overall bonus	
Delivery of a sustainable business model for growth in the future	Defined the strategic narrative for the Group and delivered a sustainable business model for growth going forward: • Undertook a comprehensive review of the strategic options available to Saga. • Positively engaged with the business in delivering these options, with a strong recommendation, resulting in a clear agreement across the Board on the forward-looking actions. • Successful execution of agreed actions (partnership with, and agreement to sell Acromas Insurance Company Limited (**AICL**) to, wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**)) to deliver Saga's future business plan and, subsequently, secured the refinancing of the 2026 debt maturities.

Personal growth project overview	Committee assessment and basis of achievement for 2024/25
Mark Watkins – Maximum: 10.0% of overall bonus. Achievement: 10.0% of overall bonus	
Support the Group's strategic objectives, including securing the financial health of the Group	Supported key stakeholders in delivering the Group's strategic objectives, including: • Successful delivery of internal projects, which enhanced the short-term financial position of the business, despite a challenging backdrop. • Managed the short-term liquidity needs of the Group, with the support of our existing banks. • Managed the long-term refinancing of the 2026 bond and facility provided by Roger De Haan, addressing near-term debt maturities and securing an opportunity for additional liquidity, if needed.

Personal growth project overview	Committee assessment and basis of achievement for 2024/25
Steve Kingshott – Maximum: 10.0% of overall bonus. Achievement: 9.5% of overall bonus	
Support the Group's strategic objectives	Supported key stakeholders in delivering the Group's strategic objectives, including: • Delivered the Ageas partnership deal for motor and home insurance, alongside the agreement to sell AICL. • Successful migration of travel and private medical insurance customers from our existing system to Guidewire, including the successful transfer from the AXA to Bupa partnership. • Improved Insurance Underwriting profitability and customer satisfaction, and led the team through a complex and successful negotiation with Ageas.

RSP Scheme interests vesting during the financial year

No awards vested during the year for any current Executive Directors, however, the 2021 RSP vested on 9 April 2024 at 90% of maximum for the former Group CEO and CFO. Further information can be found in the Payments for loss of office/Payments to past directors (audited) section on page 87.

RSP Scheme interests awarded during the financial year (audited)

On 8 July 2024, the RSP award was granted to the Group CEO, Group CFO and Executive Director (previously CEO of Insurance). Details of the awards are set out below.

Director	Award type	Basis of award	Date of grant	Date of vesting	Number of shares granted	Face value per share[7]	Total face value of award (£)
Mike Hazell Group CEO	Nil-cost options	80% of salary	8 July 2024	8 July 2027	430,879	111.4	480,000
Mark Watkins Group CFO	Nil-cost options	68% of salary	8 July 2024	8 July 2027	228,904	111.4	255,000
Steve Kingshott Executive Director (previously CEO of Insurance)	Nil-cost options	60% of salary	8 July 2024	8 July 2027	221,903	111.4	247,200

Deferred Bonus Plan

On 28 May 2024, the deferred element of the executive annual bonus award was granted to the Group CEO, Group CFO and Executive Director (previously CEO of Insurance). Details of the award are set out below.

Director	Award type	Number of shares granted	Face value per share[7]	Total face value of award	End of deferral period
Mike Hazell Group CEO	Deferred shares	50,332	131.0	65,935	28 May 2027
Mark Watkins Group CFO	Deferred shares	14,298	131.0	18,731	28 May 2027
Steve Kingshott Executive Director (previously CEO of Insurance)	Deferred shares	47,176	131.0	61,801	28 May 2027

7 Represents the mid-market quotation (**MMQ**) share price on the day prior to grant

DIRECTORS' REMUNERATION REPORT

Annual Report on Remuneration continued

Directors' share interests (audited)

Executive Directors are required to build up their shareholdings over a reasonable amount of time, which would normally be five years, and then subsequently hold a shareholding equivalent to a percentage of base salary. The following table sets out the equity interests held by the Executive and Non-Executive Directors (including those of their connected persons). If there are any changes to equity interests between the end of the reporting year and the Notice of Annual General Meeting (the **Notice**) (if the Notice is sent more than a month after the year end), we will include an updated position in our Notice.

					Unvested nil-cost options held						
Director	Shareholding requirement (% salary)[8]	Current shareholding (% salary)	Shares counting towards shareholder requirements[9]	Beneficially owned	Long-term Incentive Plan (**LTIP**) nil-cost options subject to performance conditions	RSP nil-cost options not subject to continued service	Deferred bonus nil-cost options subject to continued service	Other awards	Vested but unexercised nil-cost options held	Unvested Share Incentive Plan (**SIP**) shares not subject to performance conditions	Shareholding requirement met?
Executive Directors											
Mike Hazell	250%	76%	366,631	–[10]	–	640,947	50,332	–	–	253	No
Mark Watkins	200%	43%	129,593	443	–	228,904	14,298	–	–	480	No
Steve Kingshott	200%	102%	340,417	–	–	500,620	140,771	–	–	480	No
Non-Executive Directors[11]											
Roger De Haan[12]	–	–	–	37,217,720[13]	–	–	–	–	–	–	n/a
Julie Hopes	–	–	–	4,419	–	–	–	–	–	–	n/a
Gareth Hoskin	–	–	–	19,018	–	–	–	–	–	–	n/a
Gemma Godfrey	–	–	–	12,438	–	–	–	–	–	–	n/a
Peter Bazalgette	–	–	–	212,249	–	–	–	–	–	–	n/a
Anand Aithal	–	–	–	24,500	–	–	–	–	–	–	n/a

Taxable benefits

The taxable benefits for Executive Directors are in line with our wider workforce policies. Mike Hazell, Mark Watkins and Steve Kingshott received private medical insurance and a company car during the year.

Pension entitlements

Pension contributions for all Executive Directors are aligned with those of the majority of colleagues (6% of salary). Colleagues can, however, opt to increase their contribution to a maximum of 10%, which the Company will match. This does not apply to Executive Directors. No Executive Director receives an entitlement under a defined benefit plan.

8 Shareholding requirements are those that were in existence throughout the course of the year and at 31 January 2025

9 The number of shares counting towards the shareholding requirement is calculated by summing beneficially owned shares with unvested nil-cost options which are not subject to performance conditions, on a net of tax basis as well as any vested but unexercised options on a net of tax basis. The MMQ share price of 124.0p at 31 January 2025 was used for the purpose of calculating the current shareholding (i.e. value of beneficially owned shares and value of/gain on interests over shares) as a percentage of salary

10 Since the year end, Mike Hazell purchased 78,125 shares, which will be fully disclosed in the 2026 Directors' Remuneration Report

11 Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements

12 The connected persons of Roger De Haan include Allison De Haan, who holds 20,750 shares

13 Since the year end, Roger De Haan purchased 1,479,385 shares, which will be fully disclosed in the 2026 Directors' Remuneration Report

Payments for loss of office/payments to past directors (audited)

As previously disclosed in the 2024 Annual Report and Accounts, both Euan Sutherland and James Quin stepped down from the Board of Directors from their roles as the Group CEO and Group CFO in 2023. The full details of the remuneration arrangements for both were fully disclosed in the 2024 Annual Report and Accounts. The remuneration elements received for the period ending 31 January 2025 are outlined below.

Euan Sutherland

- As disclosed last year, Euan received salary, benefits and his pension allowance in line with the Policy until cessation of employment on 31 January 2024. The final total figure was £808,567 and was entirely in respect of the 2023/24 financial year. No further payments were made in respect of the 2024/25 financial year.
- From the Termination Date, Euan commenced receipt of monthly payments in lieu of notice comprising salary, pension and benefits for the remainder of his notice period, which commenced on 27 November 2023. The level of salary from 1 May 2024 was reduced to reflect the salary for his new executive role. £249,025 was paid in relation to the 2024/25 financial year.
- The RSP award granted on 9 April 2021 vested on 9 April 2024 at 90% of maximum, following review by the Committee, where the Committee exercised its discretion to reduce the final vesting level to account for the experience and expectation of our shareholders and the value of their shareholdings over the life of this award. The table below sets out the number of shares that vested.

James Quin

- As disclosed last year, James received salary, benefits and his pension allowance in line with the Policy until cessation of employment on 30 April 2024. The total figure of £497,697 disclosed last year was entirely in respect of the 2023/24 financial year and further payments worth £121,290 were made in respect of the 2024/25 financial year.
- From the Termination Date, James commenced receipt of monthly payments in lieu of notice comprising salary, pension and benefits for the remainder of his notice period, which commenced on 27 September 2023. £321,894 was paid in relation to the 2024/25 financial year.
- A pro rata bonus for 2024/25, based on the satisfaction of performance measures, was awarded and will be satisfied two-thirds cash and one-third in deferred shares pursuant to the Deferred Bonus Plan, in line with the Policy, as determined by the Committee. The level of bonus for 2024/25 was £118,703, 83.7% of the maximum.
- The RSP award granted on 9 April 2021 vested on 9 April 2024 at 90% of maximum, following review by the Committee, where the Committee exercised its discretion to reduce the final vesting level to account for the experience and expectation of our shareholders and the value of their shareholdings over the life of this award. The table below sets out the number of shares that vested.

Vesting of 2021 RSP awards

Director	Face value of award (% of salary)	Shares awarded	Value of award at grant (£)	End of vesting period	Pro-rated for step down	Proportion vesting as percentage of maximum	Number of shares vesting	Value of award vesting (£)
Euan Sutherland Former Group CEO	100%	184,258	710,500	8 April 2024	168,903[14]	90%	152,012	179,070
James Quin Former Group CFO	85%	94,787	365,500	8 April 2024	94,787	90%	85,308	100,493

14 The RSP original award to the former Group CEO was pro-rated under the scheme rules, given his leave date was prior to the date of the award vesting

Annual Report on Remuneration continued

Fees retained for external non-executive directorships

Executive Directors may hold positions in other companies as non-executive directors and retain the fees. Mike Hazell does not hold any external directorships. Steve Kingshott did not hold any external directorships prior to departure from the Board. Mark Watkins was appointed as a Director for Creative Folkestone on 23 September 2024 but does not receive a fee.

Governance of remuneration

Wider workforce

For the Committee to review the wider workforce pay, policies and incentives, reports are regularly considered at Committee meetings, setting out key details of remuneration throughout the Company. Alongside its review of the wider workforce remuneration, the Committee considers the approach applied to the Executive Directors and senior management. In particular, the Committee is focussed on ensuring that the approach to the remuneration of the Executive Directors and senior management is consistent with that applied to the wider workforce.

The table summarises some of the key workforce reward elements that are regularly discussed by the Committee:

Bonus	Bonus schemes contain both financial and personal measures. A financial scorecard is used for all colleagues at Saga linked to their business unit, including Executive Directors. Malus and clawback are in place for the colleagues in our Senior Leadership Team (**SLT**).
Other incentive schemes	Incentive arrangements that are paid more frequently are also operated in our contact centres. These incentive schemes are reviewed regularly to ensure best practice and market alignment. The method of calculation and frequency of payment varies, depending on business area and product.
Base pay	The Operating Board and SLT received no pay award in February 2024, with the average increase awarded to the broader colleague group being 4.0%.
National living wage	Saga continues to be committed to paying above the national living wage for UK colleagues and, in 2024, became an accredited Real Living Wage employer.
RSP	RSP awards are granted across senior leadership at Saga. Eligible colleagues received an RSP grant in 2024, ranging from 20% to 50% of salary.
SIP	We continue to promote our SIP, so that all colleagues can invest in the Company's success. The plan enables colleagues to purchase shares through payroll.
Pension	Saga operates a single defined contribution Master Trust arrangement with Aviva. At 31 January 2025, there were 2,126 colleagues in this scheme.

The Committee Chair engages regularly with the People Committee, gaining regular feedback and outlining executive remuneration. Feedback from this engagement is then shared with the Committee. Find out more in our 2025 ESG Report.

Competitive pay and cascades of incentives

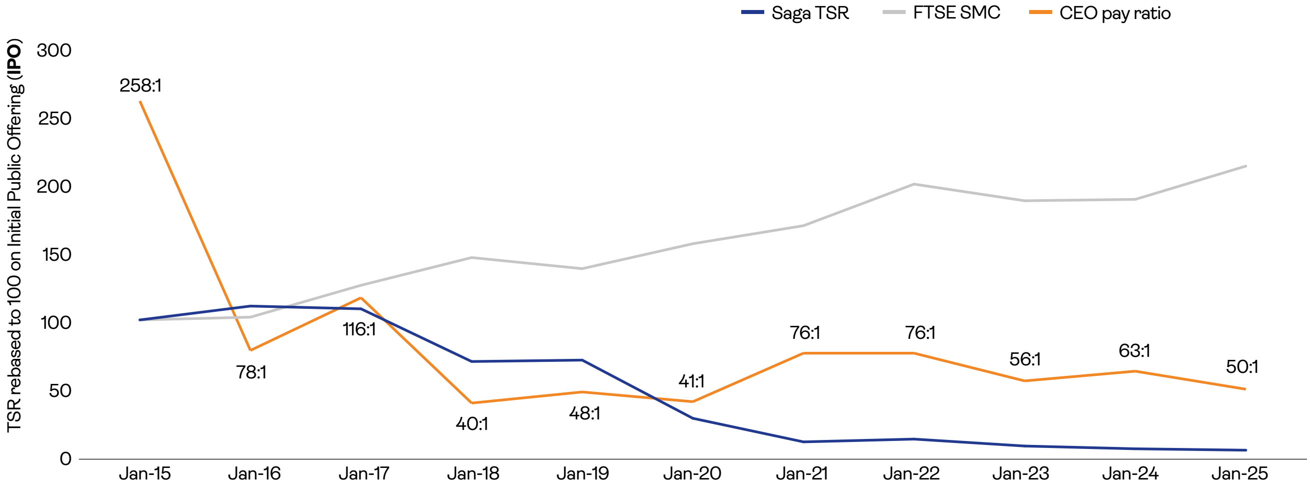
Organisational level	Number of colleagues[15]	Range of bonus (% of salary)	Maximum proportion of bonus payable in cash	Minimum proportion of bonus deferrable in shares	Range of RSP award (% of salary)	SIP
Group CEO	1	150%	67%	33%	80%	Yes
Group CFO	1	125%	67%	33%	68%	Yes
Executive Director (previously CEO of Insurance)	1	125%	67%	33%	60%	Yes
Operating Board	6	100%	67%	33%	40%	Yes
SLT	37	40-80%	100%	–[16]	20-40%	Yes
Senior Management Team	160	10-40%	100%	–	n/a	Yes
Other bonused colleagues	1,483	2.5-7.5%	100%	–	n/a	Yes
Other non-bonused colleagues	1,809	n/a	n/a	n/a	n/a	Yes

15 Colleagues at 31 January 2025
16 Colleagues in the SLT within Insurance also receive one-third of their bonus deferred for two years

Pay comparisons

Group CEO ratio

Our Group CEO to average colleague pay ratio for 2024/25 was 50:1. To give context to this ratio, we included a chart below which tracks the CEO to average colleague pay ratio since 2014/15 alongside Saga's total shareholder return (**TSR**) performance over a 10-year period. We also show this against the performance of the FTSE Small Cap (**SMC**) during the same time span.



The chart shows the value of £100 invested in the Company's shares compared to the FTSE SMC index. The graph shows the TSR generated by the movement in share value and the reinvestment over the same period of dividend income. This graph is calculated in accordance with the Financial Conduct Authority UK Listing Rules.

In summary, there is significant volatility in Group CEO pay, and we believe that this is caused by the factors set out below.

- Our Group CEO's pay is made up of a higher proportion of incentive pay than that of our colleagues, in line with the expectations of our shareholders and accepted market practice for senior executive roles. This introduces a higher degree of variability in pay each year, which in turn affects the ratio.
- The value of long-term incentives, which measure performance over three years, is disclosed in the year they vest, which increases the Group CEO's pay in that year, again impacting the ratio.
- We recognise that the ratio is driven by the different structure of pay for our Group CEO versus that of our colleagues, as well as the make-up of our workforce. This ratio varies between businesses in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the Group CEO and wider workforce.

Where the structure of remuneration is similar, as for the Operating Board and the Group CEO, the ratio is much more stable over time.

DIRECTORS' REMUNERATION REPORT

Annual Report on Remuneration continued

Colleague and CEO ratios

The table below sets out the total remuneration received by the Group CEO using the methodology applied to the single total figure of remuneration.

Group Chief Executive Officer		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total single figure (£)	Lance Batchelor	1,600,287	2,490,617	1,025,146[17]	1,191,743	946,353	–	–	–	–	–
	Euan Sutherland	–	–	–	–	116,535	2,118,471	2,401,273[18]	1,753,093	1,835,610[19]	–
	Mike Hazell	–	–	–	–	–	–	–	–	223,363[19]	1,894,030
Annual bonus payment level achieved (percentage of maximum opportunity)	Lance Batchelor	78.6%	67.5%	–	35.1%	18.2%	-	–	–	–	–
	Euan Sutherland	–	–	–	–	66.8%	83.1%	85.4%	35.3%	61.4%	–
	Mike Hazell	–	–	–	–	–	–	–	–	71.9%	84.9%
LTIP vesting level achieved (percentage of maximum opportunity)[20]	Lance Batchelor	n/a[21]	65.6%	26.0%	–	–	–	–	–	–	–
	Euan Sutherland	–	–	–	–	–	n/a[21]	10.0%	n/a[21]	90.0%	90.0%[22]
	Mike Hazell	–	–	–	–	–	–	–	–	n/a	n/a
Ratio of Group CEO single total remuneration figure to all colleagues[23,24]	Option used			Option B[23]	Option B[23]	Option B[23]	Option B[23]	Option B[23]	Option B[23]	Option B[23]	Option B[23]
	25th percentile	n/a	n/a	8:1	59:1	46:1	97:1	104:1	66:1	71:1	67:1
	Median	78:1	116:1	40:1[25]	48.1[26]	41:1[27]	76:1[28]	76:1[29]	56:1[30]	63:1[31]	50:1[32]
	75th percentile	n/a	n/a	33:1	36.1	29:1	55:1	55:1	42:1	41:1	36:1
Ratio of single total remuneration figure shown to Operating Board		2:1	4:1	3:1	3:1	2:1	4:1	3:1	3:1	3:1	3.1

The colleague pay figures used to calculate the ratio are as follows:

		25th percentile	Median	75th percentile
2024/25	Salary	£24,747	£31,304	£45,000
	Total pay	£28,132	£37,621	£53,220

17 For 2017/18, the final value of the 2015 LTIP award at vesting date is shown and is restated from the 2017/18 Annual Report and Accounts. The share price at the vesting date of 30 June 2018 was 125.6p

18 The final value of the 2019 LTIP award had not been confirmed at the time the 2022 Annual Report and Accounts was published and, therefore, was not included in the 2021/22 single figure. The final vesting of the 2019 LTIP was confirmed as 10% of maximum and, therefore, the 2021/22 single figure was restated

19 Mike Hazell was appointed as the Group CEO on 28 November 2023. Euan Sutherland's payments reflect the period until he stepped down as Group CEO on 28 November 2023

20 As disclosed in the 2021 Annual Report and Accounts, in 2020, the LTIP was replaced with an RSP and, therefore, 2023/24 was the first year the RSP vested

21 No LTIP awards were eligible to vest for the Group CEO in post during 2015/16, 2020/21 and 2022/23

22 As noted in the Annual Statement, the 2021 RSP award vesting in April 2024 vested at 90% of maximum, including a discretionary 10% reduction applied by the Committee

23 For the colleague ratio, Saga chose to use Option B, identifying colleagues using our gender pay gap data. This was the preferred option due to the availability of data for our many UK-based, overseas and part-time colleagues for whom single total figure data is difficult to calculate. Figures have been completed for 2017/18 to 2024/25, using the April gender pay gap data for that year. To mitigate any anomalies, 11 individuals were identified at each percentile point from the gender pay gap data and the median of pay in the years 2017/18 to 2024/25 for these colleagues was calculated in line with the single total figure methodology

24 The median ratios shown for 2015/16 and 2016/17 were recalculated to allow a comparison with the 2017/18 to 2024/25 figures, which were calculated in line with the methodology prescribed by the regulations

25 The fall in ratio in 2017/18 was due to the forfeiture of bonus by the Group CEO and the relatively low payout on the LTIP. This reflects the fact that shareholders want executives to have a higher proportion of pay at risk and this is reflected in the volatility in the chart. The percentage change in Group CEO remuneration set out in the table on page 94 shows that year on year, when the volatility of payouts from equity-based awards is excluded, the changes in remuneration for the Group CEO and average colleagues are broadly in line. This demonstrates that the underlying compensation ratio is not increasing year on year

26 The increase in ratio for 2018/19 was due to the Group CEO receiving a bonus in 2018/19. This increase remained low due to a relatively low bonus and LTIP payout

27 The fall in ratio for 2019/20 was due to the rebalancing of base pay and commission in our contact centres

28 The increase in ratio in 2020/21 was due to the relatively high bonus payout in 2020/21 and RSP award granted to the Group CEO in 2020/21

29 No change in ratio in 2021/22 due to the similar payout in bonus

30 The fall in ratio in 2022/23 was due to the lower bonus payout

31 The increase in ratio in 2023/24 was due to the relatively high bonus payout

32 The decrease in ratio in 2024/25 was due to a lower CEO total single figure in comparison to previous years and the result of aligning base pay to the Real Living Wage

Annual percentage change in remuneration of Directors and other colleagues

The following table sets out the change in the remuneration paid to each Director from 2019/20 to 2024/25, compared with the average percentage change for other colleagues.

The percentage change for each Director's remuneration in the table below is based on the figures in the single total figure table on page 82. Average colleague pay is calculated using the following elements:

- Annual salary: base salary and standard monthly allowances.
- Taxable benefits: car allowance and private medical insurance premiums.
- Annual bonus: company bonus, management bonus, commission and incentive payments.

	% increase/(decrease) in remuneration in 2020/21 compared with previous year (2019/20)			% increase/(decrease) in remuneration in 2021/22 compared with previous year (2020/21)			% increase/(decrease) in remuneration in 2022/23 compared with previous year (2021/22)			% increase/(decrease) in remuneration in 2023/24 compared with previous year (2022/23)			% increase/(decrease) in remuneration in 2024/25 compared with previous year (2023/24)		
	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus
Mike Hazell[33]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.9%	2.3%	28.8%
Mark Watkins[34]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	2.3%	18.1%
Steve Kingshott[35]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.0%	0.3%	10.9%	–	1.9%	104.5%
Roger De Haan[36]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Julie Hopes	41.7%[37]	n/a	n/a	(1.0%)[37]	n/a	n/a	(0.8%)[37]	n/a	n/a	(19.0%)[37]	n/a	n/a	6.5%[37]	n/a	n/a
Gareth Hoskin	9.3%[38]	n/a	n/a	2.9%[38]	n/a	n/a	–	n/a	n/a	2.7%	n/a	n/a	–	n/a	n/a
Gemma Godfrey[39]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.2%[40]	n/a	n/a	–	n/a	n/a
Peter Bazalgette[39]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.9%[41]	n/a	n/a	–	n/a	n/a
Anand Aithal[39]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8.4%[42]	n/a	n/a	–	n/a	n/a
Average per colleague	3.2%[43]	2.7%	67.8%	4.1%[43]	6.6%	5.4%	13.3%[43]	3.6%	(49.9%)	4.6%[43]	2.5%	58.2%	6.3%[43]	5.8%	47.1%

Relative importance of the spend on pay

The table below sets out the relative importance of spend on pay in the 2024/25 and 2023/24 financial years, compared with other disbursements. All figures provided are taken from the relevant Company accounts.

	Disbursements from profit in 2024/25 financial year £m	Disbursements from profit in 2023/24 financial year £m	Percentage change
Profit distributed by way of dividend	–	–	–
Total tax contributions[44]	22.0	24.1	(8.7%)
Overall spend on pay, including Executive Directors	119.4	161.6	(26.1%)

33 No comparison for Mike Hazell prior to 2024/25 due to him becoming a Director on 9 October 2023. The increase in salary in 2024/25 was due to moving from CFO to CEO on 28 November 2023
34 No comparison for Mark Watkins prior to 2024/25 due to him becoming a Director on 28 November 2023
35 No comparison for Steve Kingshott prior to 2023/24 due to him becoming a Director on 3 January 2023
36 Roger De Haan has waived his fee since becoming Chairman in 2020
37 The increase in fees for Julie Hopes in 2020/21 was due to her becoming Chair of the SPF Board on 1 February 2020 and assuming the position of Risk Committee Chair on 31 December 2020. The decrease in fees in 2021/22 was due to the reduction in the fee for the Chair of SPF role on 1 January 2021 following a review of the role. The decrease in fees in 2022/23 and 2023/24 is due to her stepping down from the role as Chair of SPF on 10 January 2023. She also assumed the position of Remuneration Chair on 31 December 2023
38 The increase in fees for Gareth Hoskin in 2020/21 and 2021/22 was due to him becoming Chair of the Audit Committee on 22 June 2020
39 No comparison for Gemma Godfrey, Peter Bazalgette and Anand Aithal prior to 2022/23 due to them joining in September 2022
40 The increase in fees for Gemma Godfrey in 2023/24 was due to her becoming Chair of SPF on 10 January 2023
41 The increase in fees for Peter Bazalgette in 2023/24 was due to him becoming Senior Independent Director and Chair of the Nomination Committee on 30 September 2022
42 The increase in fees for Anand Aithal in 2023/24 was due to him becoming Chair of the Innovation and Enterprise Committee on 1 November 2022
43 The average salary per colleague increased in 2020/21 and 2021/22 due to a combination of the annual salary increase, Company restructuring, which altered our colleague base, and the impacts of the COVID-19 pandemic. The increase in salary 2022/23 was due to a combination of two pay increases for the wider workforce and further investment in base pay. The increase in salary in 2023/24 was a result of Company restructuring, which altered our colleague base, and an uplift in the entry salary within our contact centres. The increase in salary in 2024/25 is a result of the annual pay review and alignment to the Real Living Wage
44 Total tax contributions include corporation tax, national insurance contributions, Value Added Tax and air passenger duty

Annual Report on Remuneration continued

The Policy and its implementation

The current Policy was approved by shareholders at the AGM held on 5 July 2022 and is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Our Policy is due for approval at the 2025 AGM and, over the course of the year, the Committee undertook a comprehensive review of the existing Policy. In light of recent changes to the business, the Committee determined that more time is needed to ensure that the new Policy is fit for purpose and aligned to the Company's strategic direction. The Committee engaged with shareholders, and feedback from this process will be taken into account in determining our Policy for shareholder approval.

To provide shareholders with full disclosure of the Policy and its implementation for the 2025/26 financial year, which will be voted on at the 2025 AGM, full details of the proposals will be included in the notes of the 2025 AGM Notice of Meeting.

Note that the current Policy aligns with the Code, in particular, on the following points.

Key remuneration element of the Code	Alignment with the Policy
Five-year period between the date of grant and realisation for equity incentives	Long-term incentives continue to meet the requirement through the implementation of a two-year vesting period.
Phased release of equity awards	The RSP meets this requirement, as awards are made in an annual cycle. The Saga Transformation Plan has a phased release in years five, six and seven.
Discretion to override formulaic outcomes	Included in the terms and conditions of the Annual Bonus Plan and long-term incentive plans.
Post-cessation shareholding requirement	The full in-employment requirement for two years following cessation of employment.
Pension alignment	The pension contribution for all Executive Directors is aligned with the majority of colleagues at 6%. Colleagues can, however, opt to increase their contribution to a maximum of 10%, which the Company will match. This does not apply to Executive Directors.
Extended malus and clawback	Malus and clawback provisions align with the Financial Reporting Council's Board Effectiveness Guidance.

Advisers to the Committee

Following a selection process carried out by the Board prior to the IPO of the Company, the Committee engaged the services of PricewaterhouseCoopers (**PwC**) as independent remuneration advisers.

During the financial year, PwC advised the Committee on all aspects of the Policy for Executive Directors and members of the Operating Board.

PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure that objective and independent advice is given to remuneration committees. Other PwC teams provide certain non-audit services to the Company in the areas of tax and consulting. The Committee is satisfied that no conflicts of interest exist in the provision of these services and that the advice provided is independent and objective. Fees of £132,324 (2023/24: £99,173) were provided to PwC during the year in respect of remuneration advice received.

The Committee receives support from the Chief People Officer and Group Company Secretary.

Shareholder voting

The current Policy was approved by shareholders at the AGM held on 5 July 2022. Outlined below are the voting outcomes for this, and in respect of approving the Directors' Remuneration Report at the AGM on 25 June 2024.

Resolution	AGM date	Votes for	% of votes cast	Votes against	% of votes cast	Votes cast[45]	% of issued share capital voted	Votes withheld
To approve the Directors' Remuneration Report	25 June 2024	63,402,629	87.62%	8,956,857	12.38%	72,446,413	50.53%	86,927
To approve the Directors' Remuneration Policy	5 July 2022	58,132,761	79.74%	14,770,366	20.26%	72,982,813	52.01%	79,686

45 Votes cast figures include votes withheld as well as votes for and against

Service contracts and letters of appointment

The Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment. The Non-Executive Directors of the Company do not have service contracts and are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period.

The Company follows the UK Corporate Governance Code 2024 (the **Code**) recommendation that all Directors be subject to annual re-appointment by shareholders.

Executive Director

			Notice periods		
Name	**Date appointed**	**Nature of contract**	**From Company**	**From Director**	**Compensation provisions for early termination**
Mike Hazell	9 October 2023	Rolling	12 months	12 months	None
Mark Watkins	28 November 2023	Rolling	12 months	12 months	None
Steve Kingshott[46]	3 January 2023	Rolling	n/a	n/a	None

Non-Executive Director

Name	**Original appointment**	**Appointment of current term**	**Arrangement**	**Notice period/unexpired term at AGM**
Julie Hopes	1 October 2018	1 October 2024	Letter of appointment	3 months/27 months
Gareth Hoskin	11 March 2019	11 March 2025	Letter of appointment	3 months/32 months
Gemma Godfrey	1 September 2022	1 September 2022	Letter of appointment	3 months/2 months
Peter Bazalgette[46]	1 September 2022	1 September 2022	Letter of appointment	n/a
Anand Aithal	1 September 2022	1 September 2022	Letter of appointment	3 months/2 months

The Board allows Executive Directors to accept appropriate outside non-executive director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

Julie Hopes
Chair, Remuneration Committee
15 April 2025

This report has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013, 2018 and 2019, the Provisions of the current Code and the UK Listing Rules.

46 Peter Bazalgette and Steve Kingshott both resigned from the Board with effect from 9 April 2025. These changes to the Board follow the successful Insurance agreement with Ageas and reflect the Group's new simplified business model

Directors' Report

Management Report

The Directors' Report, together with the Strategic Report set out on pages 1-55, form the Management Report for the purposes of Disclosure Guidance and Transparency Rule (**DTR**) 4.1.5 R (the **Management Report**).

Statutory information contained elsewhere in the Annual Report

Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and Accounts as indicated in the table below and is incorporated into this report by reference.

Information	Location in Annual Report and Accounts
Likely future developments in the business of the Company or its subsidiaries	Pages 1-55
Environmental, Social and Governance, including Task Force on Climate-Related Financial Disclosures	Pages 39-46
Greenhouse gas emissions	Pages 45-46
Suppliers, customers and others in a business relationship engagement	Pages 22-23
Colleagues (employment of disabled persons, workforce engagement and policies)	Pages 46 and 54
Corporate Governance Statement	Pages 56-76
Directors' details (including changes made during the year)	Pages 58, 60-61 and 68-70
Related-party transactions	Not applicable
Diversity	Pages 46, 68 and 70
Board and executive diversity targets	Pages 46, 68 and 70
Share capital	Note 33 on page 167
Employee share schemes (including long-term incentive schemes)	Note 36 on pages 168-170
Financial instruments: information on the Group's financial instruments and risk management objectives and policies, including our policy for hedging	Notes 2, 3, 7, 8, 19 and 20 on pages 111-130, 132 and 142-152
Statements of responsibilities	Page 97
Additional information	Pages 183-190

Disclosure table pursuant to UK Listing Rule (UKLR) 6.6.1

The following table provides references to where the information required by UKLR 6.6.1 is disclosed:

UKLR	UKLR requirement	Disclosure
6.6.1(1)	Interest capitalised by the Group and any related tax relief	Note 17 on pages 140-141
6.6.1(2)	Unaudited financial information (UKLR 6.2.23 R)	Group Chief Financial Officer's Review, pages 24-38
6.6.1(3)	Long-term incentive schemes (UKLR 9.3.3 R)	Directors' Remuneration Report, pages 77-93
6.6.1(4)	Directors' waivers of emoluments	Directors' Remuneration Report, pages 77-93
6.6.1(5)	Directors' waivers of future emoluments	Directors' Remuneration Report, pages 77-93
6.6.1(6)	Non-pre-emptive issues of equity for cash	Directors' Report on page 96
6.6.1(7)	Non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking	Not applicable
6.6.1(8)	Parent company participation in a placing by a listed subsidiary	Not applicable
6.6.1(9)	Contract of significance in which a Director is, or was, materially interested	Directors' Report on page 95 and Note 2.1 on page 111
6.6.1(10)	Contract of significance between the Company (or one of its subsidiaries) and a controlling shareholder	Not applicable
6.6.1(11)	Waiver of dividends by a shareholder	Directors' Report on page 96 (under paragraph 'Rights attaching to shares')
6.6.1(12)	Waiver of future dividends by a shareholder	Directors' Report on page 96 (under paragraph 'Rights attaching to shares')
6.6.1(13)	Board statement in respect of relationship agreement with a controlling shareholder	Not applicable. See Directors' Report on page 95 (under 'Relationship agreement with Director shareholder')

Results and dividends

The Group made a loss after taxation of £164.9m for the financial year ended 31 January 2025. The Board did not pay an interim dividend. The Board of Directors is not in a position to recommend the payment of a final dividend for the 2024/25 financial year.

The Directors intend to resume dividend payments in the future, once further progress has been made with deleveraging and when current limitations, particularly in relation to the Ocean Cruise ship debt, have been removed.

Any decision to declare and pay dividends is made at the discretion of the Directors and depends on, among other things, applicable law, regulation, restrictions, the Group's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

Political donations

No political donations were made during the year.

Directors' interests

A list of the Directors, their interests in the long-term performance share plan, contracts and ordinary share capital of the Company are given in the Directors' Remuneration Report on pages 77-93.

Agreements with Director shareholder

The Board confirms that, in accordance with UKLR 6.2.3, there are no controlling shareholders in the Company. However, the Company entered into a relationship agreement with Roger De Haan on 10 September 2020 (the **Relationship Agreement**) as Roger De Haan directly holds 38,676,335[1] shares of 15p each[1] (constituting 26.98% of issued share capital at 31 January 2025). This is considered a contract of significance in accordance with UKLR 6.6.1(9). The Relationship Agreement regulates the relationship between the Company and Roger De Haan and contains undertakings that transactions and arrangements will be conducted on an arm's-length basis and on normal commercial terms. It also provides that dilutions caused by new issuances of shares shall be disregarded when determining investor rights under its terms.

The Group entered into an unsecured loan facility with Roger De Haan on 3 April 2023 and an amendment was agreed on 26 September 2023. This was provided on an arm's-length basis and on normal commercial terms. On 8 February 2024, Roger De Haan and the Company agreed to amend the terms of the facility to remove the prohibition on lease and hire purchase agreements. On 22 September 2024, a further amendment was agreed between the Company and Roger De Haan to amend the terms of the facility to remove reference to the prepayment and cancellation of the facility upon receipt of certain proceeds. On 15 April 2024, a further extension to the maturity date of the facility was agreed, to 30 April 2026.

On 27 February 2025, the £75.0m drawn amount under the loan facility was repaid, and the facility was cancelled, following the successful refinancing of the Group's corporate debt.

Rules on appointment and replacement of Directors

A Director may be appointed by ordinary resolution of the shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting. In addition, the Directors may appoint a Director to fill a vacancy, or as an additional Director, provided that the individual retires at the next Annual General Meeting (**AGM**). A Director may be removed by the Company in certain circumstances set out in the Company's Articles of Association or by an ordinary resolution of the Company. The Relationship Agreement between the Company and Roger De Haan provides for the nomination for appointment (and removal or re-nomination) to the Board of one Non-Executive Director for as long as he holds at least the higher of:

- 10% or more of the issued ordinary share capital of the Company; and
- the percentage of the issued ordinary share capital of the Company, represented by 60% of the investor's holding of ordinary shares immediately following the capital raise, which took place in October 2020.

All Directors will seek re-election at the AGM in accordance with the Company's Articles of Association and the recommendations of the UK Corporate Governance Code 2024.

Directors' indemnities

At the date of this report, indemnities are in force, under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

No amount was paid under any of these indemnities during the year. Directors' and officers' liability insurance is in place at the date of this report, at an amount which the Board considers adequate. This is subject to annual review.

Change of control – significant agreements

There are some arrangements, which give rights to third parties to terminate agreements upon a change of control of the Company, including following a takeover; for example, commercial contracts and insurance distribution agreements. Details of such arrangements are captured as part of the contractual governance process.

The Group's corporate debt, at 31 January 2025, was unsecured and in place for general purposes. It consisted of a £250.0m five-year public listed bond at 5.50%, due to mature in July 2026. The Group also had two liquidity facilities, being a £50.0m Revolving Credit Facility (**RCF**), expiring in May 2025, and an £85.0m loan facility with Roger De Haan, expiring in April 2026. At the same date, the Group had drawn £75.0m of the facility with Roger De Haan.

Following the year end, the Company transitioned to the new capital structure, consisting of a £335.0m term loan facility, a £100.0m delayed-draw term loan facility, which can be used to fund Ocean Cruise ship debt amortisation or growth investment, and a new £50.0m RCF.

Export Credit Agency-backed funding is in place over 12 years to finance 80% of the cost of the Group's two Ocean Cruise ships at a fixed interest rate. The first of these facilities was drawn on completion of the build of Spirit of Discovery and secured by way of a charge over the asset. The second facility was drawn on completion of the build of Spirit of Adventure and also secured by way of a charge over the asset. The Company provided a guarantee for this ship debt.

In the event of a change of control, the facilities would either require repayment or renegotiation. If the ship financing was terminated, significant break fees may be incurred. Further details on banking facilities are shown in Note 30 to the consolidated financial statements on pages 163-165.

The rules of the Company's colleague share plans generally provide for the accelerated vesting and/or release of share awards in the event of a change of control of the Company.

The Company does not have any agreements with colleagues, including Directors, which would pay compensation in the event of a change of control.

Conflict of interest

Each Director is obliged to disclose any potential, or actual, conflict of interest in accordance with the Company's Conflict of Interest Policy. The policy is subject to review and declarations are made on an annual basis. Directors are also required to update any changes to declarations as they occur. Internal controls are in place to ensure that any related-party transactions are conducted on an arm's-length basis.

Share capital and interests in voting rights

The Company's share capital, including movements during the year, is set out on page 167. At the date of this report, the Company's issued share capital comprised a single class of share capital which is divided into ordinary shares of 15p each. At 31 January 2025, 143,361,741 ordinary shares of 15p each had been issued, fully paid up and quoted on the London Stock Exchange (**LSE**).

In accordance with DTR 5.1, the Company must disclose where it has been notified of the interests in the Company's total voting rights. The obligation to notify sits with the shareholder, and the Company must report on the notifications received, between the end of the reporting year and a date not more than one month prior to the date of the notice of AGM. If the date of signing of the Annual Report and Accounts is prior to this, we will include an updated position in our AGM Notice (**Notice**).

Since the date of disclosure to the Company, the interest of any person may have increased or decreased. There is no requirement to notify the Company of any increase or decrease unless the holding passes a notifiable threshold in accordance with DTR 5.1.

1 This shareholding represents shares directly held by Roger De Haan. His shareholding, including that of his connected persons, is set out on page 86 of the Directors' Remuneration Report

Directors' Report continued

Information regarding other interests in voting rights provided to the Company, pursuant to the Financial Conduct Authority DTRs, is published on the Company's corporate website and via a Regulatory Information Service.

During the year, the following notifications were received:

Name	Ordinary shares of 15p each	Percentage of capital as disclosed to the Company	Nature of holding
Eldose Babu[2]	11,500,001	8.02	Direct

At 15 April 2025, the Company had been notified of the following interests in the Company's total voting rights:

Name	Ordinary shares of 15p each	Percentage of capital as disclosed to the Company	Nature of holding
Roger De Haan	38,676,335	26.98	Indirect

Authority to allot/purchase own shares

A shareholders' resolution was passed at the AGM on 25 June 2024, authorising the Company to make market purchases within the meaning of Section 693(4) of the Companies Act 2006 (the **Act**) (up to £2,150,426.11, representing 10% of the aggregate nominal issued share capital of the Company). This is subject to a minimum price of 15p and a maximum price of the higher of 105% of the average mid-market quotations for five business days prior to purchase or the price of the last individual trade and highest current individual bid as derived from the LSE trading system.

The Company did not exercise this authority during the year, and it will expire at the forthcoming AGM. A special resolution to authorise the Company to make market purchases representing 10% of current nominal share capital will be proposed at the 2025 AGM.

The Directors of the Company were also granted authority at the 2024 AGM to allot relevant securities up to a nominal amount of £7,160,918.96. This authority was not exercised during the year. This authority will apply until the conclusion of the 2025 AGM, at which shareholders will be asked to grant the Directors authority (for the purposes of Section 551 of the Act) to allot relevant securities:

- up to an aggregate nominal amount of 33.3% of the Company's issued ordinary share capital; and
- comprising equity securities (as defined in the Act) up to an aggregate nominal amount of 66.6% of the Company's issued ordinary share capital (after deducting from such limit any relevant securities issued under (i) in connection with a rights issue).

These amounts will apply until the conclusion of the 2026 AGM, or, if earlier, 31 July 2026.

Special resolutions will also be proposed to give the Directors authority to make non-pre-emptive issues wholly for cash in connection with rights issues and otherwise up to an aggregate nominal amount of 10% of the Company's issued ordinary share capital, and to make non-pre-emptive issues wholly for cash in connection with acquisitions or specified capital investments up to an aggregate amount of 10% of the Company's issued ordinary share capital. This is consistent with the Pre-Emption Group's published Statement of Principles.

Rights attaching to shares

The Company has a single class of ordinary shares in issue. The rights attached to the shares are governed by applicable law and the Company's Articles of Association, which are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Ordinary shareholders have the right to receive notice, attend and vote at general meetings; and to receive a copy of the Company's annual report and accounts and a dividend when approved and paid. On a show of hands, each shareholder present in person, or by proxy (or an authorised representative of a corporate shareholder), shall have one vote. In the event of a poll, one vote is attached to each share held. No shareholder owns shares with special rights as to control. The Notice will state the deadlines for exercising voting rights and for appointing a proxy or proxies.

The Saga Employee Benefit Trust (the **Trust**) is an Employee Benefit Trust which holds property (the **Trust Fund**) including inter-alia money, and ordinary shares in the Company, in trust in favour, or for the benefit, of colleagues of the Saga Group.

The Trustee of the Trust has the power to exercise the rights and powers incidental, and to act in relation to the Trust Fund in such manner as the Trustee, in its absolute discretion, thinks fit. The Trustee has waived its rights to dividends on ordinary shares held by the Trust. Details of employee share schemes are set out in Note 36 to the consolidated financial statements.

Restrictions on the transfer of shares

The Company is not aware of any agreement that would result in a restriction on the transfer of shares or voting rights.

Articles of Association

Any amendment to the Company's Articles of Association may only be made by passing a special resolution of the shareholders of the Company. The Company last approved its Articles of Association by special resolution at the AGM held on 14 June 2021.

Research and development

The Group does not undertake any material activities in the field of research and development.

Branches outside the UK

The Company does not have any branches outside the UK.

Post-balance sheet events

Since the year end, the Group closed the new credit facilities detailed in Note 30 and drew down the £335.0m term loan facility on 27 February 2025, utilising the proceeds to repay, and cancel in full, the £250.0m senior unsecured notes maturing in July 2026, and the £75.0m drawn under the £85.0m loan facility provided by Roger De Haan. In addition, the existing undrawn £50.0m RCF was cancelled.

Auditor

KPMG LLP confirmed its willingness to continue in office as auditor of the Company, and resolutions for its re-appointment, and for the Audit Committee to determine its remuneration, will be proposed at the forthcoming AGM.

Annual General Meeting

The AGM will be held on 24 June 2025 at 11.00am at the offices of Numis Securities Limited, 45 Gresham Street, London EC2V 7BF. The Notice will be available on our corporate website (www.corporate.saga.co.uk) in due course.

By order of the Board

Victoria Haynes
Group Company Secretary
15 April 2025
Saga plc (Company no. 08804263)

2 This disclosure relating to Eldose Babu reflects the disclosure announced on 5 June 2024, with previous disclosures announced in the prior financial year

Statements of responsibilities

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts, and the Group and parent company financial statements, in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006 (the **Act**), and have elected to prepare the parent company financial statements in accordance with UK accounting standards, 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 Group, and parent company, and of their profit or loss for that period (see Governance statements on page 54). In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures having been disclosed and explained in the parent company financial statements;
- assess the Group and parent 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 Group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time, the financial position of the parent company and enable them to ensure that its financial statements comply with the Act. They are also responsible for such internal controls as they determine 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 Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

Disclosure of information to the auditor

Having made the requisite enquiries, so far as each of the Directors is aware, there is no relevant audit information (as defined by Section 418(3) of the Act) of which the Company's auditor is unaware, and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Maintenance of website and single electronic reporting

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.

The financial statements will form part of the annual financial report prepared using the single electronic reporting format under the Transparency Directive European Single Electronic Format (**ESEF**) Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Directors' responsibility statement

Each of the Directors who were in office at the date of this report, whose names and responsibilities are listed on pages 60-61, confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Management Report, as defined in the Directors' Report, includes a fair review of the development and performance of the business and the position of the issuer, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Victoria Haynes
Group Company Secretary
15 April 2025
Saga plc (Company no. 08804263)

Independent Auditor's Report to the Members of Saga plc

1 Our opinion is unmodified

We have audited the financial statements of Saga plc ("the Company") for the year ended 31 January 2025 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, the Company Balance sheet, Company Statement of changes in equity, and the related notes, including the accounting policies in note 2.3 to the financial statements and note 1.1 to the Company financial statements other than the disclosures labelled as unaudited in note 35.

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2025 and of the Group's loss for the year then ended.
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards.
- The parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*.
- The financial statements 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the shareholders on 22 June 2017. The period of total uninterrupted engagement is for the eight financial years ended 31 January 2025. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the Financial Reporting Council (FRC) Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: Group financial statements as a whole		£6.2m (2024: £5.6m) 1.05% of 2025 revenue (2024: 0.76% of revenue)
Coverage		97% (2024: 97%) of total revenues
Key audit matter		**vs 2024**
Recurring risks	Recoverability of goodwill	◀▶
	Valuation of the liability and reinsurance for incurred claims	◀▶
	Recoverability of the parent company's investment in subsidiaries	◀▶

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2024 other than the exclusion of a key audit matter relating to going concern), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Area	The risk	Our response
Recoverability of goodwill *Goodwill: £206.4 million, (2024: £344.7 million)* *Impairment of goodwill: £138.3 million (2024: £104.9million)* *Refer to pages 71-74 (Audit Committee Report) note 2.3h on page 123 (accounting policies) and note 14 on pages 137-140 (financial disclosures) in the annual report and accounts.*	**Forecast-based valuation:** Insurance Broking goodwill in the Group is significant and at risk of recoverability if forecast business performance were to fall significantly short of business plans on account of compressed margins resulting from high claims costs inflation. The estimated recoverable amount of goodwill in relation to the Insurance Broking business is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows and judgement is required to assess whether the directors' overall estimate, taking into account the below assumptions, falls within an acceptable range. The assessment of the recoverability of goodwill involves a high degree of subjectivity around assumptions due to the supporting calculations of Value in Use ('VIU') being reliant on expectations of future performance as well as the delivery risk attached to expected forecast cash flows based on an affinity partnership agreed with a third party insurer. Inputs into the VIU calculations, such as future cash flows pre-tax discount rate and terminal growth rates are at risk of error on account of subjectivity, complexity and uncertainty arising from their estimation.	We performed the tests below rather than seeking to rely on any of the Group's controls because the estimation uncertainty involved in the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Historical comparisons:** • We assessed the reasonableness of cash flow projections against historical performance and the terms of the affinity partnership. **Our sector experience:** • We evaluated and challenged the assumptions used in cash flow forecasts using our sector knowledge and experience. **Benchmarking assumptions:** • We compared the Group's assumptions to externally derived data in relation to key inputs such as pre-tax discount rate with the support of our valuation specialists and terminal growth rates.

Area	The risk	Our response
	The risk in relation to these assets is impacted by uncertainty in the economic outlook and therefore there is a risk of impairment to Insurance Broking goodwill; and particularly if the Group fails to meet its forecasts for 2025/26 and beyond which incorporate cash flows based on an affinity partnership deal onward from Q4 2025. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	**Comparing valuations:** - We compared the recoverable amount of the Insurance business Cash Generating Unit ('CGU') by reference to the VIU relative to the carrying value and evaluated the outcome against comparator industry multiples. **Assessing transparency:** - We assessed whether the Group disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the valuation of goodwill. **Our findings:** We found the Group's estimated recoverable amount of goodwill and the related impairment charge to be balanced (2024 finding: balanced), with proportionate (2024 finding: proportionate) disclosure of the related assumptions and sensitivities.
Valuation of the liability and reinsurance for incurred claims *Liability for incurred claims: £235.9 million (2024: £286.4 million)* *Amounts recoverable on incurred claims (Estimate of present value of future cash flows): £88.9 million (2024: £141.3 million)* *Refer to pages 71-74 (Audit Committee Report) note 2.3r on pages 123-126 (accounting policies) and note 28 on pages 159-162 (financial disclosures).*	**Subjective valuation:** The liability for incurred claims represents a significant liability for the Group and comprises the discounted unbiased probability weighted estimate of the cash flows and a risk adjustment. There is a significant risk around the valuation of the liability and amounts recoverable for incurred claims driven by the risk of inappropriate estimation in respect of the future cash flows. Valuation of incurred but not reported ('IBNR') claims is the most subjective component of the liability for incurred claims and reinsurance contract asset, requiring a number of assumptions to be made with high estimation uncertainty. This is heightened due to the need for adjustments to the historical claims pattern to reflect uncertainty driven by the inflationary environment and judgmental allowance for the effect of events not in the historic claims data. There is greater inherent uncertainty in valuation of those claims which emerge slowly over time, or where there is greater potential exposure to large losses due to the effect of uncertain or unknown incurred events. This judgement is applied to a number of key assumptions and methodologies being the choice of development patterns, and the application of method used to value Periodical Payment Orders ('PPOs'). Similar estimates are required in establishing the reinsurers' share of incurred claims, in particular share of IBNR claims. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the liability and amounts recoverable for incurred claims has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 20) disclose the sensitivity estimated by the Group.	We tested the design and implementation of key controls over the actuarial reserving process. Due to the nature of this balance, we would expect to obtain audit evidence primarily through detailed substantive procedures as outlined below. We have involved our actuarial specialists to perform the following procedures: **Independent re-projection of undiscounted cash flows:** - Using the Group's own data, we carried out independent re-projections to form our own view of the estimate of the cash flows for IBNR both on a gross and net of reinsurance basis for non-PPOs on an undiscounted basis and on a discounted basis for PPOs. We have included an inflation loading based on our independent assessment and have challenged the Group's own assumption with respect to this loading. **Historical comparisons:** - We compared prior year actual versus expected claims experience by class of business and accident year. **Assessing transparency:** - We considered the adequacy of the Group's disclosures in respect of the sensitivity of the valuation of liability and amounts recoverable for incurred claims and key assumptions applied to key areas of judgement and estimation uncertainty. **Our findings:** We found that the resulting estimate of the amount recognised for liability and amounts recoverable for incurred claims to be mildly cautious (2024 finding: mildly optimistic). We found the disclosures of the sensitivities to changes in key assumptions and estimate as inputs to the valuation to be proportionate (2024: proportionate).

Independent Auditor's Report to the Members of Saga plc continued

Area	The risk	Our response
Recoverability of the parent company's investment in subsidiaries *Company's investment in subsidiaries: £659.3 million (2024: £167.3 million)* *Refer to pages 71-74 (Audit Committee Report), note 1.1b on page 179 (accounting policies) and note 2 on page 181 (financial disclosures).*	**Forecast-based valuation:** The parent company has a single direct subsidiary but indirectly owns all entities within the Group. The carrying amount of the parent company's investment in subsidiaries is significant and has been impaired in prior years. The carrying amount is at risk of further impairment or reversal of previously booked impairments if forecast business performance for the Group's business units, due to volatility in margins in the Insurance Broking unit in particular, were to fall short or deliver significantly ahead of expected business performance. The estimated recoverable amount of the parent company's investment in subsidiaries is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows and judgement is required to assess whether the directors' overall estimate, taking into account the below assumptions, falls within an acceptable range. The assessment of the recoverability of this asset involves a high degree of subjectivity around assumptions due to the supporting calculations of VIU being reliant on expectations of future performance. Multiple inputs into the VIU calculations, such as future cash flows, pre-tax discount rate and terminal growth rates are at risk of error in order to demonstrate that the value of the asset is not impaired. The risk in relation to these assets is impacted by uncertainty in the economic outlook and therefore there is risk of impairments to investments in subsidiaries at the parent company level if the Group delivers results that are materially different from the plan in 2025/26, and years thereafter. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the parent company's investment in subsidiaries has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	We performed the tests below rather than seeking to rely on any of the Group's controls because the estimation uncertainty involved in the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Historical comparisons:** - We assessed the reasonableness of cash flow projections against historical performance. **Our sector experience:** - We evaluated and challenged the assumptions used in cash flow forecasts using our sector knowledge and experience. **Benchmarking assumptions:** - We compared the parent company's assumptions to externally derived data in relation to key inputs such as pre-tax discount rates with the support of our valuation specialists and terminal growth rates. **Comparing valuations:** - For the parent company's investment in subsidiaries, we compared the sum of the VIUs or fair value less costs to sell for all of the Group's CGUs to the carrying value, market capitalisation and implied multiples of the Group's businesses; and evaluated reasons for any significant differences. **Sensitivity analysis:** - We assessed the sensitivity of the headroom over the parent company's investment in subsidiaries and concluded on the appropriateness of the recoverable amount of the parent company's investment in subsidiaries. This was performed considering reasonable possible changes in key assumptions underlying the business plans, including pre-tax discount rate and terminal growth rates. **Assessing transparency:** - Assessing the adequacy of the parent company's disclosures in respect of the investment in subsidiaries. **Our findings:** We found the Group's estimated recoverable amount of the parent company's investment in subsidiaries and the related reversal of impairment to be balanced (2024 finding: balanced), with proportionate (2024 finding: proportionate) disclosure of the related assumptions and sensitivities.

During February 2025, the Group was able to repay £250.0m of senior unsecured notes and a £75.0m loan provided by Sir Roger De Haan, the Group's chair. This was possible following a refinancing of the Group's corporate debt arrangements which has resulted in the majority maturing in 2031, which is well beyond the end of the Group's going concern period. We have therefore determined that going concern is no longer one of the most significant risks in our current year audit and, therefore, it is not separately identified in our Key Audit Matters section of the report this year. Further details on going concern are provided in Section 4 of this report.

3 Our application of materiality and an overview of the scope of our audit

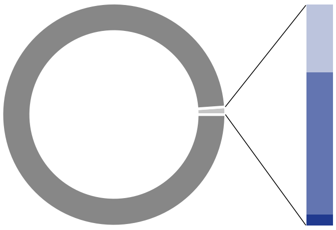
Materiality for the Group financial statements as a whole was set at £6.2m (2024: £5.6m), determined with reference to a benchmark of total revenue, of which it represents 1.05% (2024: 0.76% determined with reference to a benchmark of total revenue which included revenue from operations classified as discontinued in 2024 of £176.5m as disclosed in note 38).

Total Revenue

£588.3m (2024: £741.1m)

Group Materiality

£6.2m (2024: £5.6m)



Materiality for the parent Company financial statements as a whole was set at £4.4m (2024: £4.4m), determined with reference to a benchmark of net assets of which it represents 0.1% (2024: 1.6%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2024: 65%) and 75% (2024: 75%) of materiality for the financial statements as a whole for the Group and the parent company respectively. This equates to £4.0m (2024: £3.6m) and £3.3m (2024: £3.3m) for the Group and the parent company respectively. We applied this percentage in our determination of performance materiality based on impact of the number of control deficiencies identified during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.3m (2024: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement (“RMMs”). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group’s components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 13 components, having considered our evaluation of the Group’s operational structure, the existence of common information systems, the existence of common risk profile across entities and our ability to perform audit procedures centrally. Of those, we identified 4 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures. Additionally, having considered qualitative and quantitative factors, we selected 1 component with accounts and/or disclosures contributing to the specific risks of material misstatement of the Group financial statements.

The below summarises where we performed audit procedures:

Component type	Number of components where audit procedures were performed	Range of materiality applied
Quantitatively significant components	4	£2.9m - £1.8m
Other components where we performed procedures	1	£1.7m
Total	**5**	

We involved component auditors in performing the audit work on 3 components. We set the component materialities having regard to the mix of size and risk profile of the Group across the components. We also performed the audit of the Parent Company.

Independent Auditor's Report to the Members of Saga plc continued

Our audit procedures covered 97% of Group revenue. We performed audit procedures in relation to components that accounted for 96% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 2% of Group total revenue including discontinued operations or Group total assets including assets held for sale. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

With the assistance of our IT auditors we obtained an understanding of the main IT systems relevant to our Group audit. The Group's control environment is undergoing improvement, including the upgrade of the general ledger. As such, our planned audit approach was to rely only on relevant General IT Controls at the Group level but not for the audits of the components.

Following our testing, including performing additional risk assessment procedures in response to deficiencies identified, we were able to rely on general IT controls and automated controls at the Group level in determining the work to be performed over certain consolidation processes. As we did not rely on controls over the component IT systems, we performed additional testing over the completeness and accuracy of information extracted from the systems used in our audit. We also concluded that substantive audit procedures in most areas of our audit, such as revenue-to-cash matching, would produce relevant audit evidence in a more efficient way and therefore our audit was largely substantive.

We identified control deficiencies in relation to manual journal entries and therefore we were not able to rely on controls in this area. Following incremental risk assessment, we determined that no significant changes were required to our planned approach to journal testing.

Overall, considering the developing nature of the control environment and the most efficient and effective approach for gaining the appropriate audit evidence, we concluded that a largely substantive audit approach was appropriate for the audit of the year ended 31 January 2025 for significant risk areas and the key transactional processes.

4 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and 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 their ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- The agreement for the sale of the Insurance Underwriting business and the affinity partnership for Insurance Broking business be cancelled or delayed.
- The inability to achieve load factors for Ocean Cruise, lower demand for River Cruise and slower growth in the Holidays business.
- The anticipated benefits of the affinity partnership deal for the Insurance Broking business may not be fully realized due to unforeseen business risks, regulatory changes, or the timing and extent to which management can achieve the cost savings.
- Further unexpected downturn in performance of the Insurance Broking business due to worsening competitive market pressures.

We also considered less predictable but realistic second order impacts, such as adverse changes in UK Government policy and the economic environment, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

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 Group's or Company's ability to continue as a going concern for the going concern period.
- We have nothing material to add or draw attention to in relation to the directors' statement in note 2.1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2.1 to be acceptable.
- The related statement under the UK Listing Rules set out on page 57 is materially consistent with the financial statements and our audit knowledge.

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 Group or the Company will continue in operation.

5 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, the audit committee and the Internal Audit and Assurance Director, and inspection of key policies and papers provided to those charged with governance as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing" and the process for engaging local management to identify fraud risks specific to their business units, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board, Audit and Risk Committee minutes and in the case of Audit Committee meetings for the Group, attendance of the external audit partner at these meetings.
- Considering remuneration incentive schemes and performance targets for directors and senior management.
- Using analytical procedures to identify any usual or unexpected relationships.
- Reading broker reports and other public information to identify third-party expectations and concerns.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component 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 revenue is not complex in nature and there is no significant management judgement or estimation involved in recording the revenue transactions.

We also identified fraud risks related to an inappropriate valuation of the liability and amounts recoverable for incurred claims, in response to possible pressures to meet profit targets.

In determining the audit procedures to address the identified fraud risks, we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls. Further detail in respect of the procedures performed over the valuation of the liability and amounts recoverable for incurred claims, including how we have used specialists to assist in our challenge of management is set out in the key audit matter disclosures in section 2 of this report.

To address the pervasive risk as it relates to management override, we also performed procedures including:

- Identifying journal entries to test for all in scope components, based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, those including specific words based on our risk criteria, those journals which were unbalanced, those posted to unusual accounts, those posted at the end of the period and/or post-closing entries with little or no description and unusual journal entries posted to either cash, revenue or borrowings
- Assessing significant accounting estimates including the valuation of liability and amounts recoverable for incurred claims for bias.

Identifying and responding to risks of material misstatement due to non-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 and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other members of management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entities' procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to audit teams of quantitatively significant components and component requiring special audit consideration of relevant laws and regulations identified at the Group level, and a request to auditors of quantitatively significant components and component requiring special audit consideration to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital, regulatory compliance and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form, with the Insurance businesses regulated primarily by the Financial Conduct Authority and the Gibraltar Financial Services Commission and the Cruise and the Holidays businesses regulated by the Civil Aviation Authority. The Cruise and Holidays businesses are also members of the Association of British Travel Agents, the International Air Transport Association and the Federation of Tour Operators. These are well-recognised UK trade bodies with codes of conduct to which members are required to adhere.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or is evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the Members of Saga plc 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 these 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.

6 We have nothing to report on the other information in the annual report

The directors are responsible for the other information presented in the annual report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report

Based solely on our work on the other information:

- 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.
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- The directors' confirmation within the viability statement on page 53 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity.
- The Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated.
- The directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 57 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- The directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- The section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed.
- The section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in these respects.

7 We have nothing to report on the other 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us.
- The parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.
- Certain disclosures of directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 97, the directors are responsible for: the preparation of the financial statements including 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 Group's and parent 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 Group or the parent 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 Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

9 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.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
15 April 2025

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

for the year ended 31 January 2025

	Notes	2025 £m	2024 (re-presented[1]) £m
Continuing operations			
Revenue	3	**588.3**	**564.6**
Cost of sales	3	(308.8)	(302.0)
Gross profit		**279.5**	**262.6**
Other income	4	–	5.0
Administrative and selling expenses	5	(231.8)	(238.7)
Increase in credit loss allowance		(1.8)	(1.1)
Impairment of non-financial assets	6	(162.8)	(113.3)
Gain on lease modification	18	0.2	–
Net profit/(loss) on disposal of property, plant and equipment and software	15, 17, 18	0.9	(0.5)
Investment income	7	6.1	6.6
Finance costs	8	(50.5)	(44.4)
Loss before tax from continuing operations		**(160.2)**	**(123.8)**
Tax (charge)/credit	10	(18.5)	15.8
Loss from continuing operations		**(178.7)**	**(108.0)**
Profit/(loss) from discontinued operations, net of tax[2]	38a	13.8	(5.0)
Total loss for the year		**(164.9)**	**(113.0)**
Attributable to:			
Equity holders of the parent		(164.9)	(113.0)
Loss per share:			
Basic	12	(117.4p)	(80.8p)
Diluted	12	(117.4p)	(80.8p)
Loss per share from continuing operations:			
Basic	12	(127.2p)	(77.2p)
Diluted	12	(127.2p)	(77.2p)

The Notes on pages 111-176 form an integral part of these consolidated financial statements.

1 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

2 The results of discontinued operations, comprising the post-tax profit, are shown as a single amount on the face of the income statement. An analysis of this amount is presented in Note 38a)

Consolidated statement of comprehensive income
for the year ended 31 January 2025

	Notes	2025 £m	2024 £m
Loss for the year		**(164.9)**	**(113.0)**
Other comprehensive income			
Other comprehensive income that may be reclassified to the income statement in subsequent years from continuing operations			
Net gains/(losses) on hedging instruments during the year	19	6.0	(1.3)
Recycling of previous (gains)/losses to the income statement on matured hedges	19	(3.3)	1.0
Total net gains/(losses) on cash flow hedges		2.7	(0.3)
Associated tax effect		(0.3)	0.6
Total other comprehensive income with recycling to the income statement from continuing operations		2.4	0.3
Other comprehensive income that will not be reclassified to the income statement in subsequent years from continuing operations			
Remeasurement gains/(losses) on defined benefit plan	27	4.6	(41.1)
Associated tax effect		(12.0)	10.3
Total other comprehensive losses without recycling to the income statement from continuing operations		(7.4)	(30.8)
Total other comprehensive losses from continuing operations		(5.0)	(30.5)
Total comprehensive losses for the year		**(169.9)**	**(143.5)**
Attributable to:			
Equity holders of the parent		(169.9)	(143.5)
Arising from:			
Continuing operations		(183.7)	(138.5)
Discontinued operations		13.8	(5.0)
		(169.9)	(143.5)

The Notes on pages 111-176 form an integral part of these consolidated financial statements.

Consolidated statement of financial position
at 31 January 2025

	Notes	2025 £m	2024 £m
Assets			
Goodwill	14	206.4	344.7
Intangible assets	15	34.3	60.7
Property, plant and equipment	17	582.8	593.4
Right-of-use assets	18	24.9	24.6
Financial assets	19	12.6	252.2
Current tax assets		0.4	4.8
Deferred tax assets	10	–	49.4
Reinsurance contract assets	28	–	173.2
Inventories	22	8.3	8.1
Trade and other receivables	23	143.7	127.7
Trust and escrow accounts	24	8.8	37.9
Cash and short-term deposits	25	129.2	188.7
Assets held for sale	38	436.9	17.4
Total assets		**1,588.3**	**1,882.8**
Liabilities			
Retirement benefit scheme liability	27	39.8	47.9
Insurance contract liabilities	28	–	399.3
Provisions	31	21.7	8.0
Financial liabilities	19	690.1	828.4
Deferred tax liabilities	10	–	14.6
Contract liabilities	29	176.8	159.8
Trade and other payables	26	255.3	201.3
Liabilities directly associated with assets held for sale	38a	346.9	–
Total liabilities		**1,530.6**	**1,659.3**
Equity			
Issued capital	33	21.5	21.3
Share premium		648.3	648.3
Own shares held reserve		(1.4)	(1.2)
Retained deficit		(620.2)	(452.5)
Share-based payment reserve		10.0	10.5
Hedging reserve		(0.5)	(2.9)
Total equity		**57.7**	**223.5**
Total equity and liabilities		**1,588.3**	**1,882.8**

The Notes on pages 111-176 form an integral part of these consolidated financial statements.

Signed for and on behalf of the Board on 15 April 2025 by

Mike Hazell
Group Chief Executive Officer

Mark Watkins
Group Chief Financial Officer

Consolidated statement of changes in equity
for the year ended 31 January 2025

	Attributable to the equity holders of the parent						
	Issued capital £m	Share premium £m	Own shares held reserve £m	Retained (deficit)/ earnings £m	Share-based payment reserve £m	Hedging reserve £m	Total £m
At 1 February 2024	**21.3**	**648.3**	**(1.2)**	**(452.5)**	**10.5**	**(2.9)**	**223.5**
Loss for the year from continuing operations	–	–	–	(178.7)	–	–	(178.7)
Profit for the year from discontinued operations	–	–	–	13.8	–	–	13.8
Loss for the year	–	–	–	(164.9)	–	–	(164.9)
Other comprehensive (losses)/gains excluding recycling from continuing operations	–	–	–	(7.4)	–	5.2	(2.2)
Recycling of previous gains to the income statement from continuing operations	–	–	–	–	–	(2.8)	(2.8)
Total comprehensive (losses)/income	–	–	–	(172.3)	–	2.4	(169.9)
Issue of share capital (Note 33)	0.2	–	(0.2)	–	–	–	–
Share-based payment charge (Note 36)	–	–	–	–	4.2	–	4.2
Transfer upon vesting of share options	–	–	–	4.6	(4.7)	–	(0.1)
At 31 January 2025	**21.5**	**648.3**	**(1.4)**	**(620.2)**	**10.0**	**(0.5)**	**57.7**
At 1 February 2023	**21.1**	**648.3**	**–**	**(309.7)**	**8.9**	**(3.2)**	**365.4**
Loss for the year from continuing operations	–	–	–	(108.0)	–	–	(108.0)
Loss for the year from discontinued operations	–	–	–	(5.0)	–	–	(5.0)
Loss for the year	–	–	–	(113.0)	–	–	(113.0)
Other comprehensive losses excluding recycling from continuing operations	–	–	–	(30.8)	–	(0.8)	(31.6)
Recycling of previous losses to the income statement from continuing operations	–	–	–	–	–	1.1	1.1
Total comprehensive (losses)/income	–	–	–	(143.8)	–	0.3	(143.5)
Issue of share capital (Note 33)	0.2	–	–	–	–	–	0.2
Share-based payment charge (Note 36)	–	–	–	–	3.4	–	3.4
Own shares transferred	–	–	(1.2)	(0.8)	–	–	(2.0)
Transfer upon vesting of share options	–	–	–	1.8	(1.8)	–	–
At 31 January 2024	**21.3**	**648.3**	**(1.2)**	**(452.5)**	**10.5**	**(2.9)**	**223.5**

The Notes on pages 111-176 form an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flows

for the year ended 31 January 2025

	Notes	**2025 £m**	2024 £m
Loss before tax from continuing operations		(160.2)	(123.8)
Profit/(loss) before tax from discontinued operations	38a	19.1	(5.2)
Loss before tax		(141.1)	(129.0)
Depreciation, impairment and profit or loss on disposal, of property, plant and equipment, and right-of-use assets		29.8	35.1
Amortisation and impairment of intangible assets and goodwill, and loss on disposal of software		176.8	117.2
Impairment of assets held for sale	38b	0.4	10.4
Gain on lease modification	18	(0.2)	–
Share-based payment transactions		4.2	3.4
Net finance expense from insurance contracts	28	15.5	3.5
Net finance income from reinsurance contracts	28	(7.3)	(1.9)
Finance costs	8	50.5	44.4
Interest income from investments		(17.3)	(15.4)
Decrease/(increase) in trust and escrow accounts		29.1	(1.7)
Movements in other assets and liabilities		(1.2)	40.8
		139.2	106.8
Investment income interest received		12.1	11.9
Interest paid		(41.7)	(38.2)
Income tax received		3.6	3.2
Net cash flows from operating activities		**113.2**	**83.7**
Investing activities			
Proceeds from sale of property, plant and equipment, intangible assets and right-of-use assets		0.9	–
Purchase of, and payments for, the construction of property, plant and equipment and intangible assets		(20.1)	(26.7)
Disposal of financial assets		45.5	56.4
Purchase of financial assets		(11.5)	(11.7)
Disposal of subsidiary, net of cash in business disposed of	13	–	–
Net cash flows from investing activities		**14.8**	**18.0**
Financing activities			
Payment of principal portion of lease liabilities	32	(7.3)	(11.6)
Proceeds from new borrowings	32	95.0	–
Repayment of borrowings	32	(232.2)	(62.2)
Net cash flows used in financing activities		**(144.5)**	**(73.8)**
Net (decrease)/increase in cash and cash equivalents		**(16.5)**	**27.9**
Cash and cash equivalents at the start of the year		**219.6**	**191.7**
Cash and cash equivalents at the end of the year	25	**203.1**	**219.6**

Included in the above are cash flows from discontinued operations. An analysis of these can be found in Note 38a).

The Notes on pages 111-176 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Corporate information

Saga plc (the **Company**) is a public limited company incorporated and domiciled in the United Kingdom (**UK**) under the Companies Act 2006 (registration number 08804263). The Company is registered in England and Wales and its registered office is 3 Pancras Square, London, N1C 4AG.

Saga offers a wide range of products and services to its customer base, which include package and cruise holidays, general insurance products, personal finance products and a range of media content including a monthly subscription magazine.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements have been prepared on a going concern basis and on a historical cost basis, except as otherwise stated. The Group reviewed the appropriateness of the going concern basis in preparing the financial statements, details of which are included below. Based on those assumptions, the Directors concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements.

The Group's consolidated financial statements are presented in British pounds sterling (**GBP**), which is also the parent company's functional currency, and all values are rounded to the nearest hundred thousand (£m), except when otherwise indicated. Each company in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The preparation of financial statements in compliance with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements, and their effect, are disclosed in Note 2.6.

The material accounting policies adopted, which have been applied consistently, unless otherwise stated, are set out in Note 2.3.

Going concern

The Directors performed an assessment of going concern to determine the adequacy of the Group's financial resources over the period from the date of signing these financial statements to 30 April 2026.

This assessment is centred on a base case overlaid with risk-adjusted financial projections which incorporate scenario analysis and stress tests on expected business performance.

On 30 January 2025, the Group announced that it had agreed new credit facilities, comprising a £335.0m term loan facility, a £100.0m delayed-draw term loan (**DDTL**) facility and a £50.0m Revolving Credit Facility (**RCF**). The term loan facility and DDTL facility both mature on 29 January 2031 and the RCF matures on 29 July 2030.

Subsequent to the year end, on 27 February 2025, the Group drew down the £335.0m term loan facility and utilised the proceeds to repay the £250.0m senior unsecured notes maturing in July 2026, and the £75.0m drawn under the £85.0m loan facility provided by Roger De Haan. This refinancing substantially reduced the Group's exposure to debt maturities in the near term and secured access to additional sources of liquidity to provide the Group with financial flexibility over the coming years.

The Group's base case modelling assumes continued strong performance in Cruise on the back of continued high load factors and growth in per diems. Our Holidays business is also expected to achieve further growth in profits. The Insurance division reflects the expected disposal of the Group's Underwriting business later this year, together with a plan for the Broking business that sees it leveraging strategic partnerships to meet the needs of the over-50s, while migrating to a new operating model for motor and home that will facilitate a return to longer-term growth.

The Group's severe but plausible stressed scenario incorporates a reduction in load factors of 1-2% for Cruise and a reduction in touring customer volumes of c.2,500 per annum in the Holidays business. Downside risks modelled for Insurance include the impact of a possible delay in the timing of the expected sale of the Underwriting business.

The modelling indicates that, under both scenarios, and incorporating drawdowns against its new £50.0m RCF, but no drawdown against the £100.0m DDTL facility, the Group expects to make all Ocean Cruise debt principal repayments as they fall due over the period to April 2026 and to retain sufficient levels of Available Cash[3] to service its liquidity requirements across the assessment period. In addition, it expects to meet the financial covenants relating to its secured Cruise debt and to remain below the 8.8x Leverage Ratio[3] covenant attached to its new £50.0m RCF. It also expects to remain below the 8.0x Leverage Ratio[3] covenant attached to the new £335.0m term loan and to the £100.0m DDTL facility, enabling it to draw down on this currently undrawn facility to support the repayment of Ocean Cruise debt repayments should the need arise.

Noting that it is not possible to accurately predict all possible future risks to the Group's trading, based on this analysis and the scenarios modelled, the Directors concluded that the Group will have sufficient funds to continue to meet its liabilities as they fall due at least until April 2026. They have, therefore, deemed it appropriate to prepare the financial statements to 31 January 2025 on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its **subsidiaries**) made up to 31 January each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee entity and has the ability to affect those returns through its power over the investee entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiary companies are consolidated using the acquisition method.

The results of subsidiaries acquired, or disposed of, during the year are included in the consolidated income statement from the effective date of acquisition (control) or up to the effective date of disposal (control ceases), as appropriate. Where a subsidiary which constituted a separate major line of business is disposed of, it is disclosed as a discontinued operation.

In preparing these consolidated financial statements, any intra-group receivables, payables, income and expenses arising from intra-group trading are eliminated. Where accounting policies used in individual financial statements of a subsidiary company differ from Group policies, adjustments are made to bring these policies in line with Group policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies

a) Revenue recognition

Revenue represents amounts receivable from the sale or supply of goods and services provided to customers in the ordinary course of business and is recognised to the extent that it is probable that the future economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is received. The policies for the recognition of the Group's various revenue streams by segment are as follows:

i) Travel

Revenue from Cruise, in respect of Ocean Cruise holidays, is recognised in line with the performance obligations, being the cruise itself, flights and/or rail journeys (where applicable), travel insurance and transfers. The standalone selling price of each performance obligation is estimated as the cost to provide each obligation plus a profit margin appropriate to the nature of each service. The price charged to each customer is then apportioned to each performance obligation based on the relative estimated standalone selling prices, in line with the requirements of International Financial Reporting Standard (**IFRS**) 15 'Revenue from Contracts with Customers'. The portion of revenue allocated to the cruise itself is recognised on a per diem basis over the duration of the cruise, in line with when the performance obligation is satisfied. The portion of revenue allocated to flights, and flight upgrades (where applicable), and transfers is recognised on the date that each trip is fulfilled.

Revenue from travel insurance (which is underwritten by a third party) for cruising holidays is recognised at the cover start date of the policy, which is usually at the point the customer makes a booking.

Revenue from Cruise, relating to chartered river cruise ships, is also recognised in line with the performance obligations that are included in a package holiday, namely the provision of flights, accommodation, transfers and travel insurance. Revenue is recognised as and when each performance obligation is satisfied, which is deemed to be when each service to the customer takes place.

For Holidays, revenue in relation to flights and flight upgrades is recognised on the date of each flight; revenue in relation to accommodation is recognised over the duration of the holiday; revenue in relation to transfers is recognised on the date that the transfers occur before and after each holiday; and revenue in respect of travel insurance (which is underwritten by a third-party underwriter) is recognised on the cover start date of the insurance. This is consistent with the approach adopted by the Cruise business.

An element of revenue which represents the non-refundable deposit received at the time of booking is recognised in the income statement immediately in line with the prevailing rate of cancellations.

Revenue from sales in resort, or on board a cruise ship operated by the Group, for example for optional excursions, is recognised as it is earned.

Revenue from Travel received in advance of when each performance obligation is satisfied is included as deferred revenue within contract liabilities in the statement of financial position.

ii) Insurance

The amounts received from customers for insurance policies comprise three main elements: the premium charged to the customer in respect of the insurance cover (**gross premium**); insurance premium tax (**IPT**); and an arrangement fee, where applicable (only applied to policies that are brokered via a panel). The gross premium itself comprises two elements: the premium charged by the underwriter of each policy (**net premium**), which may be provided by the Group's in-house underwriter or by a third-party underwriter, plus any adjustment to the net premium that is applied by the Group's broker during the broking service (**street pricing adjustment**).

The Group may also charge additional amounts, where the customer pays in instalments, for mid-term cancellations or for adjustments made to policies mid-term.

IPT is excluded from all revenue recognised by the Group.

Our Insurance Broking business also offers a three-year fixed-price feature, bundled within the Saga Plus product offering for motor and home insurance. This product is a distinct and separate service offered by the broker, as a promise to match or beat the premium for the next two renewal dates for the same level of protection and provided that the customer's circumstances do not change.

*(a) For 12-month insurance policies with no option to fix the premium at renewal (**annual policies**)*

For insurance policies underwritten by the Group:

- the gross insurance premium and any amounts received as a result of the policyholder opting to pay in instalments are recognised as insurance revenue on a straight-line, time-apportioned basis over the coverage period;
- any such amounts received in advance of coverage being provided to the policyholder are deferred within insurance contract liabilities in the statement of financial position;
- mid-term adjustments to premiums are recognised on a straight-line, time-apportioned basis over the remaining coverage period of the policy; and
- reductions in premiums arising from mid-term cancellations are recognised on the effective date of the cancellation.

The above treatment is in line with the requirements of IFRS 17 'Insurance Contracts' (see also Note 2.3r)).

For insurance policies not underwritten by the Group:

- the portion of the gross premium that is retained by the Group, otherwise referred to as the street pricing adjustment, is allocated to performance obligations and recognised as those performance obligations are satisfied. The most material amount is allocated to the performance obligation relating to the brokerage service, which is recognised on the inception date of the insurance contract; and
- the portion of the gross premium charged by the third-party underwriter, otherwise referred to as the net premium, is not recognised as revenue in the income statement.

The above treatment is in line with the requirements of IFRS 15.

For all insurance policies:

- the arrangement fee that is charged in respect of the broking service is recognised within revenue from Insurance Broking services on the date that each policy is arranged; and
- any fee income charged for a mid-term cancellation or adjustment is recognised on the date the adjustment is made, being the point that the mid-term service is fulfilled. Where these amounts arise from insurance contracts underwritten by the Group, they are presented within Insurance revenue, otherwise they are presented within revenue from Insurance Broking services.

*(b) For 12-month insurance policies where customers have the option to fix the premium over three years (**three-year fixed-price products**)*

The policyholder's option to fix the annual premium at the first and second renewal points is accounted for under IFRS 15 as a promise to the customer.

Where the related insurance policy is not underwritten by the Group, this promise is accounted for as a separate performance obligation to the brokerage service.

Where the related insurance policy is underwritten by the Group, this promise is a distinct service that is accounted for separately from the host insurance contract because:

- the cash flows and risks of the price promise service are not highly interrelated with those of the insurance contract; and
- the Group does not provide a significant service in integrating the price promise with the insurance underwriting service.

Therefore, the accounting treatment of the Group's obligation to fix the premium does not depend on whether the related insurance policy is underwritten by the Group.

For all three-year fixed-price products, the Group allocates a portion of the gross premiums received at inception and at the first renewal point to the price promise service. The amount allocated to this service is an estimate of its standalone selling price, being an actuarial estimate of the cost of transferring the obligation to a third-party plus an appropriate profit margin.

Amounts allocated to the price promise service are initially deferred within contract liabilities in the statement of financial position and subsequently recognised as revenue since the option to fix is exercised by the customer (and the Group's performance obligation is satisfied).

If a customer cancels a policy subject to the three-year fixed-price promise mid-term, or chooses not to renew in the second or third years, any remaining deferred revenue is recognised within revenue at the point the cover ends, being the point that the Group is released from the obligation to fix the price at renewal.

The Group previously entered into contracts to limit its exposure to potential losses arising as a result of underwriting net rate inflation in respect of its three-year fixed-price offering. The Group continues to recognise amounts arising from those contracts. Those contracts are classified as insurance contracts held.

(c) Other sources of revenue relating to insurance policies

Profit commissions due to the Group, from acting as an insurance intermediary on behalf of third-party underwriters, are recognised and valued in accordance with the contractual terms to which they are subject, when it is highly probable that a significant reversal of revenue will not occur.

Where claims arise on insurance policies that are not the fault of the insured, the Group may earn revenue from:

- referrals to credit hire companies (in relation to policies underwritten by the Group or by third parties); and
- referrals to credit repair companies (in relation to policies underwritten by third parties only).

This revenue is recognised at the point of referral.

iii) Other Businesses and Central Costs

(a) Saga Money

Revenue from personal finance products is recognised when the customer contracts with the provider of the relevant personal finance product where the revenue comprises a one-off payment by the provider of the product.

Where the personal finance product is one that delivers a recurring income stream, the present value of the future expected revenue to be received is recognised when the customer contracts with the provider of the relevant personal finance product, and it is highly probable that a significant reversal of revenue recognised will not occur.

For the Saga savings product, commissions are earned over the duration of the contract in line with the contractual amount due to the Group.

For Saga equity release products, commissions are earned initially and over the lifetime of the product. Additionally, further commissions, where applicable, are earned at each subsequent stage of the drawdown if any more of the advance is taken by the customer. Initial commission relating to new business is recognised as revenue at the point the performance obligation with the Group's contracted business partners is satisfied, and the customer has taken out the product. Where applicable, and the probability of further drawdowns is high, trail commission is recognised as the discounted future cash flows expected to be received over the estimated life of the product and likewise for further commissions on additional drawdowns undertaken by the customer.

For Saga legal services, mortgage and investing products, broking commissions are earned initially, and over the duration of the contract, in line with the contractual amount due to the Group.

(b) Saga Publishing

Magazine subscription revenue is recognised on a straight-line basis over the period of the subscription. Revenue generated from advertising within the magazine is recognised when the magazine is provided to the customer.

The element of subscriptions and advertising revenue relating to the period after the reporting date is recognised as deferred revenue within contract liabilities in the statement of financial position.

(c) Printing and mailing

Revenue from printing and mailing services is recognised in line with the performance obligations within customer contracts.

b) Cost recognition

i) Costs of acquiring insurance contracts

Acquisition costs arising from the selling or renewing of insurance policies underwritten by the Group (**insurance acquisition cash flows**) are expensed when they are incurred within insurance service expenses in the income statement. See also Note 2.3r)viii).

For insurance policies not underwritten by the Group, fees charged by price-comparison websites are recognised as a contract cost asset within trade and other receivables and amortised in line with the pattern of revenue recognition for the related insurance policies.

This takes into account revenue expected to be generated from future renewals. Other incremental costs of obtaining insurance policies not underwritten by the Group, such as payment processing costs, would be incurred again if the insurance contract renews. Therefore, the pattern of revenue recognition relating to these incremental costs is one year. As permitted by IFRS 15, such costs are expensed when incurred.

ii) Claims costs

Claims costs incurred in respect of insurance policies underwritten by the Group are included within insurance service expenses in the income statement. These costs include estimates in respect of losses reported as having occurred during the period, an estimate for the cost of claims incurred during the period but not reported at the reporting date, and any adjustments to claims outstanding from previous periods. See Note 2.3r)vi)(b) for further details.

The portion of claims costs recoverable from reinsurance contracts is recognised within net income from reinsurance contracts in the income statement. These recoveries are recognised in the same period in which the claims costs are recognised. See Note 2.3r)vii) for further details.

iii) Finance costs

Finance costs comprise interest paid and payable, and commitment fee, calculated using the effective interest rate (**EIR**) method, and it is recognised in the income statement as it accrues. Accrued interest is included within the carrying value of the interest-bearing financial liability in the statement of financial position. Finance costs also include debt issue costs that were initially recognised in the statement of financial position and amortised over the life of the debt, debt issue costs in respect of renegotiating existing, or negotiating new, facilities that are immediately recognised in the income statement and net fair value losses on derivative financial instruments.

iv) All other expenses

All other expenses are recognised in the income statement as they are incurred.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

c) Recognition of other income statement items

i) Interest income

Investment income in the form of interest is recognised in the income statement as it accrues and is calculated using the EIR method.

Interest income is earned by the Group on assets held at fair value through profit or loss (**FVTPL**) and amortised cost. Fees and commissions which are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the EIR of the instrument.

ii) Dividend income

Income in the form of dividends is recognised when the right to receive payment is established. For listed securities, this is the date that the security is listed as ex-dividend.

iii) Gains and losses on financial investments at fair value

Realised and unrealised gains and losses on financial investments are recorded as investment income in the income statement and represent net fair value gains and losses arising from changes in fair value during the year.

iv) Other income

The Group recognises other items in profit or loss as other income, when the amounts become receivable and its right to receive payments is established.

d) Taxes

i) Current income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from, or paid to, 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 assets and liabilities also include adjustments in respect of tax expected to be payable, or recoverable, in respect of previous periods. Current income tax relating to items recognised in other comprehensive income (**OCI**) and directly in equity is recognised in OCI or equity and not in the income statement.

ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged, or credited, in the income statement, except when it relates to items charged or credited in OCI or equity, in which case the deferred tax is recognised in OCI or equity as appropriate.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rate at the date that the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevalent at the reporting date.

f) Intangible assets

Intangible assets acquired are measured on initial recognition at cost and, subsequent to initial recognition, are carried at cost less any accumulated amortisation and accumulated impairment losses.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding internally developed software, are not capitalised and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finitely. Computer software costs recognised as assets are amortised over their estimated useful economic lives, which vary from asset to asset within a range of 3-13 years.

Intangible assets are amortised over their useful economic life on a basis appropriate to the consumption of the asset and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

g) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial and non-financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 'Financial Instruments' is measured at fair value, with the changes in fair value recognised in the income statement.

Any excess of the cost of acquisition over the fair values of the identifiable assets and liabilities is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable assets and liabilities of the acquired business, the difference is recognised directly in the income statement in the year of acquisition.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units (**CGUs**) at the point of acquisition and is reviewed at least annually for impairment.

The useful life of goodwill is assessed as indefinite. Goodwill is not amortised, but is tested for impairment at least annually, at the CGU level. Where the carrying value of the asset exceeds the recoverable amount, an impairment loss is recognised in the income statement immediately.

h) Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. If such an indication exists, the recoverable amount is estimated and compared with 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.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is any indication that an asset may be impaired, a recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount is determined according to the CGU to which the asset belongs.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination.

The recoverable amount is calculated as the higher of fair value less costs to sell, and value-in-use. In assessing value-in-use, where appropriate, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its value-in-use calculations on detailed budgets, plans and long-term growth assumptions, which are prepared separately for each of the Group's CGUs to which individual assets are allocated.

i) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

Assets in the course of construction at the statement of financial position date are classified separately. These assets are transferred to other asset categories when they become available for their intended use.

Depreciation is charged to the income statement on a straight-line basis to write off the depreciable amount of property, plant and equipment over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Land and assets in the course of construction are not depreciated. Estimated useful lives are as follows:

Buildings, properties and related fixtures:

Buildings	50 years
Fixtures and fittings	3-20 years
Ocean Cruise ships	30 years
Computers	3-6 years
Plant, vehicles and other equipment	3-10 years

Costs relating to Ocean Cruise ship mandatory dry-dockings are capitalised and depreciated over the period up to the next dry-docking, where appropriate. The International Convention for the Safety of Life at Sea regulations stipulate that ships have to be dry-docked twice in an interval of five years, with the interval between consecutive dry-dockings being not less than two years and not more than three years. All other repairs and maintenance costs are recognised in the income statement as incurred.

An item of property, plant and equipment is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Estimated residual values and useful lives are reviewed annually. In relation to the annual review of estimated residual values and useful lives of Ocean Cruise ships, potential environmental regulatory changes are also considered. The shipping industry has made a commitment to reduce CO_2 emissions by 40% by 2030 (from a 2008 baseline), and the UK Government has made commitments to reach net zero emissions by 2050. The Energy Efficiency Existing Ship Index (**EEXI**) and Carbon Intensity Indicator (**CII**) regulations were introduced internationally in 2023 to enable the industry to meet the 2030 target, and the Group's Ocean Cruise ships meet the requirements of these regulations. The end of their useful economic lives of 30 years will have been reached by 2049 in the case of Spirit of Discovery and 2051 in the case of Spirit of Adventure.

j) Non-current assets held for sale, disposal groups and discontinued operations

The Group classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale, an asset must be available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets, and the sale must be highly probable. A sale is considered to be highly probable when management is committed to a plan to sell an asset, an active programme to locate a buyer and complete the plan has been initiated, at a price that is reasonable in relation to its current fair value, and there is an expectation that the sale will be completed within one year from the date of classification. Non-current assets classified as held for sale are carried on the Group's statement of financial position at the lower of their carrying amount and fair value less costs to sell. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', an impairment loss on a disposal group is allocated to non-current assets within the scope of the standard, limited to the carrying value of those assets. If there are no non-current assets within the scope of IFRS 5 for which an impairment loss can be allocated against, the impairment loss will be recognised at the time of disposal.

Property, plant and equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

The Group classifies a component of the Group as a discontinued operation when it has either been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount of profit or loss after tax from discontinued operations in the income statement. The assets and liabilities relating to discontinued operations are excluded from those of continuing operations and are presented as single amounts in the statement of financial position.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

k) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost, fair value through other comprehensive income (**FVOCI**) or FVTPL. The classification of financial assets 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. The Group does not hold any financial assets classified as FVOCI.

	Initial recognition	Subsequent measurement
Amortised cost	A financial asset is classified as amortised cost (initially measured at fair value plus any directly attributable transaction costs) if it meets both of the following conditions and is not elected to be designated as FVTPL: • It is held within a business model whose objective is to hold assets to collect contractual cash flows. • Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group classifies trade receivables and other receivables as held at amortised cost.	These assets are subsequently measured at amortised cost using the EIR method. The amortised cost is reduced by any impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.
FVTPL	All financial assets not classified as amortised cost (or FVOCI), as described above, are classified as FVTPL and held at fair value. This includes all derivative financial assets. On initial recognition, the Group may irrevocably elect to designate a financial asset, which otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL if doing so eliminates, or significantly reduces, an accounting mismatch that would otherwise arise. This election is made on an individual instrument basis. This election has been made for the Group's debt securities. The Group classifies loan funds, money market funds held within the Insurance business and foreign exchange forward contracts not designated in a hedging relationship, as FVTPL.	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income (separately disclosed), are recognised in profit or loss, unless such instruments are designated in a hedging relationship (see (vi) overleaf).

(a) Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Group 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.

The Group measures loss allowances at an amount equal to 12-month ECLs, except for the following, which are measured as lifetime ECLs:

- Debt securities that are determined to have high credit risk at the reporting date.
- Other debt securities and bank balances for which credit risk has increased significantly since initial recognition.
- 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 Group 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 Group's historical experience and informed credit assessment, including forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of investment grade. The Group considers this to be BBB- or higher as per credit rating scales.

(a) 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 Group'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

(a) 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 OCI if the instrument is designated as a hedging instrument in an effective cash flow hedge.

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

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

(b) Subsequent measurement

After initial recognition, interest-bearing loans, borrowings and other payables are subsequently measured at amortised cost using the 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.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 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.

iv) Derivatives

Derivatives are measured at fair value, both initially and subsequently to initial recognition. All changes in fair value of non-designated derivatives are recognised in the income statement immediately.

Changes in fair value of derivatives designated as cash flow hedges are initially recognised in OCI until such a point that they are recycled to profit or loss in the same period as the hedged item is recognised in profit or loss, or immediately if the hedged item is no longer expected to occur.

Derivatives are presented as assets when the fair values are positive, and as liabilities when the fair values are negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

v) Fair values

The Group measures all financial instruments at fair value at each reporting date, other than those instruments measured at amortised cost.

Fair value is the price that would be required to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market accessible by the Group for the asset or liability or, in the absence of a principal market, in the most advantageous market accessible by the Group for the asset or liability.

The fair values are quoted market bid prices where there is an active market, or based on valuation techniques when there is no active market or the instruments are unlisted. Valuation techniques include the use of recent arm's-length market transactions, discounted cash flow analysis and other commonly used valuation techniques.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

vi) Hedge accounting

The Group designates certain derivative financial instruments as cash flow hedges of certain forecast transactions. These transactions are highly probable to occur and present an exposure to variations in cash flows that could ultimately affect amounts determined in profit or loss.

The Group has elected to adopt the general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses forward foreign exchange and commodity swap contracts to hedge the variability in cash flows arising from changes in foreign currency rates and oil prices respectively. For foreign exchange contracts, the Group designates the fair value change of the full forward price as the hedging instrument in cash flow hedging relationships. For commodity hedging, the Group designates the fair value change of the benchmark oil price. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity. Any ineffective portion of the fair value gain or loss is recognised immediately within the income statement.

When a hedging instrument no longer meets the criteria for hedge accounting, through maturity, sale, or other termination, hedge accounting is discontinued prospectively. If the hedged forecast transaction is still expected to occur, the associated cumulative gain or loss remains in the hedging reserve and is recognised in accordance with the above policy when the hedged forecast transaction occurs. If the hedged forecast transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in the income statement immediately.

l) Leases

The Group leases various River Cruise ships, buildings, equipment and vehicles. The contract length of the lease varies considerably and may include extension or termination options as described below.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: the contract involves the use of an identified asset; the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Leases are initially recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option will be included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used. This is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

l) Leases continued

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period using the EIR method and the lease liability is measured at amortised cost using the EIR method.

Right-of-use assets are initially measured at cost, comprising the present value of future lease payments plus any initial direct costs and restoration costs. Right-of-use assets are depreciated over the lease term on a straight-line basis, except for the Group's River Cruise ships. The unit of production method is used to depreciate River Cruise ships to accurately reflect the usage of the asset, which is seasonal.

Payments associated with short-term leases of equipment and all leases of low-value assets are expensed in profit or loss as incurred, in line with the exemption allowed under paragraph 6 of IFRS 16 'Leases'.

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and River Cruise ship leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group remeasures the lease liability, and makes a corresponding adjustment to the related right-of-use asset, whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and fees that an entity incurs in connection with the borrowing of funds.

n) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand, short-term deposits with a maturity of three months or less from their inception date and money market funds held outside of the Insurance Underwriting business.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, and short-term highly liquid investments (including money market funds held within the Insurance Underwriting business) with original maturities of three months or less that are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

o) Trust and escrow accounts

Prior to 28 March 2023, 100% of customer monies were paid into trust until the Group had fulfilled its obligations and the customer had returned from their holiday. The trust was administered and controlled by an independent trustee, PT Trustees Limited. On this date, the Group moved from a trust arrangement to an escrow arrangement.

This meant that, from 28 March 2023, 70% of customer monies received in advance in relation to Air Travel Organisers' Licensing (**ATOL**) licensable bookings are held in escrow accounts until after the customer has travelled, when the Group has fulfilled all its performance obligations with customers. From 1 October 2024, in respect of the Holidays business, the Group moved from an escrow arrangement to simply holding cash within the business, in respect of the 70% element of customer monies.

The escrow arrangement is governed by a deed between the Group, the Civil Aviation Authority Air Travel Trustees and an independent Trustee, PT Trustees Limited, which determines the inflows and outflows from the accounts. The Group utilises the remaining 30% of customer advance receipts in its Holidays and River Cruise businesses to fund the cost of operating these holidays.

p) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost. Loss allowances are measured as lifetime ECLs.

q) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred prior to completion and disposal.

r) Insurance contracts underwritten by the Group and reinsurance contracts

i) Classification

The Group issues insurance contracts, under which it accepts significant insurance risk from policyholders, and also enters into reinsurance contracts, under which it transfers significant insurance risk related to underlying insurance contracts. 'Reinsurance contracts' refers to reinsurance contracts held by the Group. The Group does not issue any reinsurance contracts.

Insurance and reinsurance contracts can also expose the Group to financial risk.

ii) Separating components from insurance and reinsurance contracts

When the Group underwrites an insurance contract, a number of separate contracts may be entered into at the same time. These contracts may involve more than one legal entity within the Group.

As the set of contracts is designed to achieve an overall commercial effect for the Group, for accounting purposes the following steps are taken:

- The total cash flows arising from all contracts are initially considered as a whole (together the **host insurance contract**).
- The Group then identifies any service components that are 'distinct' and, therefore, require separation for accounting purposes. A service is distinct if the policyholder can benefit from it, either on its own or with other resources that are readily available to the policyholder. The following distinct service components were identified:
  - The brokerage of the core insurance contract (where it has first been subject to the competitive pricing panel that the Group operates).
  - The brokerage of any add-on cover underwritten by a third party.
  - The promise to fix the premium for three years (where this option is taken by the policyholder).

  These distinct service components are accounted for as separate customer contracts under IFRS 15.
- The total cash inflows from the combined set of contracts are then allocated, for accounting purposes, between:
  - any distinct service components; and
  - the insurance component of the host insurance contract.

  This allocation is performed based on the standalone selling price of each component.
- Cash outflows that relate directly to each component are attributed to that component, with any remaining cash outflows attributed on a systematic and rational basis, reflecting the cash outflows the Group would expect to arise if that component were a separate contract.

iii) Aggregation of insurance and reinsurance contracts

The Group applies the requirements of IFRS 17 at the level of groups of insurance contracts issued. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, which comprise contracts that are subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the expected profitability of each contract at initial recognition:

- Any contracts that are onerous at initial recognition.
- Any contracts that, at initial recognition have no significant risk of becoming onerous.
- Any other contracts.

Groups of reinsurance contracts are established such that each group comprises a single contract.

iv) Recognition of insurance and reinsurance contracts

The Group recognises insurance contracts issued from the earliest of:

- the beginning of the coverage period;
- when the first payment from a policyholder becomes due or, if there is no due date, when the first payment is received; and
- when facts and circumstances indicate that the contract is onerous. This could be as early as the date on which the contract is first entered into.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

The Group recognises groups of reinsurance contracts as follows:

- Groups of reinsurance contracts that provide proportionate coverage (primarily quota share arrangements) are recognised when any underlying insurance contract is initially recognised.
- All other groups of reinsurance contracts (primarily excess of loss arrangements) are recognised from the earlier of:
  - the beginning of the coverage period of the group of reinsurance contracts; or
  - the date on which an onerous group of underlying contracts is recognised (provided that the related reinsurance contract was entered into on, or before, that date).

v) Contract boundaries

The measurement of groups of insurance contracts issued, and reinsurance contracts, reflects all future cash flows arising from insurance coverage within the boundary of each contract (the **contract boundary**).

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services.

vi) Measurement – insurance contracts

The Group measures all groups of insurance contracts issued in accordance with IFRS 17's simplified premium allocation approach (**PAA**). They are eligible for the PAA as the coverage period of each contract in each group is one year or less.

The following sections set out the Group's approach to measuring groups of insurance contracts under the PAA.

(a) Measurement at initial recognition

On initial recognition, the liability for remaining coverage of groups of insurance contracts issued is measured as:

- any premiums received at, or before, initial recognition; plus
- for groups of contracts that are onerous (expected to be loss-making) at initial recognition, a loss component measured as the excess of the fulfilment cash flows over the carrying amount of the liability for remaining coverage, excluding the loss component. A corresponding loss is recognised in profit or loss. At initial recognition, the loss component is only recognised and measured in respect of policies that individually meet the recognition criteria at that date.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

r) Insurance contracts underwritten by the Group and reinsurance contracts continued

vi) Measurement – insurance contracts continued

(b) Subsequent measurement

At the end of each reporting period, each group of contracts is measured as the sum of the liability for remaining coverage and the liability for incurred claims.

Liability for remaining coverage

At the end of each reporting period, the carrying amount of the liability for remaining coverage (excluding the loss component) of each group of contracts is equal to:

- the opening carrying amount of the liability for remaining coverage;
- plus premiums received in the period;
- less the amount recognised as insurance revenue for coverage provided in the period. Insurance revenue is the amount of total expected premium receipts (excluding premium taxes) allocated to each period of coverage on the basis of the passage of time (i.e. a straight-line basis). This is appropriate as, for the insurance contracts that the Group issues, the expected pattern of release of risk during the coverage period does not differ significantly from the passage of time.

The liability for remaining coverage (excluding the loss component) is not adjusted for the time value of money.

For groups of contracts that were onerous at initial recognition:

- the loss component of the liability for remaining coverage is increased in respect of any individual policies added to the group;
- the loss component is reversed as coverage is provided, reducing the liability for remaining coverage; a corresponding credit to profit or loss means that the onerous loss is not recognised a second time when a liability for incurred claims is established as coverage is provided; and
- the expected profitability of remaining coverage is reassessed at each reporting date, with any changes since initial recognition reflected in the valuation of the remaining loss component of the liability for remaining coverage, with a corresponding entry in profit or loss.

For other groups of contracts, at each reporting date the Group considers whether the remaining coverage has become onerous. If so, a loss component of the liability for remaining coverage is established with a corresponding loss recognised in profit or loss.

Liability for incurred claims

As coverage is provided, the Group establishes a liability for incurred claims. The liability is estimated based on the fulfilment cash flows relating to incurred claims, including both claims that have been notified (i.e. outstanding claims) and claims incurred but not reported (**IBNR**). These fulfilment cash flows:

- include an estimate of claims handling costs and settlement amounts, and the expected value of salvage and other recoveries;
- incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows;
- reflect current estimates from the Group's perspective;
- are adjusted to reflect the time value of money and effect of financial risk (a discounting adjustment); the Group did not take the PAA option to not discount claims expected to be paid within one year of the loss event; and
- include an explicit adjustment for non-financial risk (the **risk adjustment**), which reflects the compensation required for bearing uncertainty about the amount and timing of cash flows that arise from non-financial risk.

vii) Measurement – reinsurance contracts

The Group also measures all groups of reinsurance contracts in accordance with the PAA. Groups of excess of loss reinsurance contracts are eligible for the PAA as each contract has a coverage period of one year or less. Groups of other reinsurance contracts (primarily the motor quota share arrangement) are eligible for the PAA as, at initial recognition, the Group expects that the resulting measurement of the asset for remaining coverage would not differ materially to that under the IFRS 17 general measurement model.

Groups of reinsurance contracts are measured on the same basis as the underlying insurance contracts, adapted as appropriate to reflect the different features of reinsurance contracts, including:

- where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for groups of reinsurance contracts depicting any recovery of losses. The loss-recovery component is calculated by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts;
- reinsurance cash flows that are contingent on claims experience are treated as part of the claims expected to be reimbursed; this applies to profit commission clauses within the Group's motor quota share reinsurance contracts; and
- the Group assesses the risk that the counterparties to its reinsurance contracts are not able to fulfil their obligations (non-performance risk, or default risk), including by considering available data on the financial strength of the reinsurers. An allowance is included in the relevant estimate of the present value of future cash flows to reflect this risk.

viii) Measurement – insurance acquisition cash flows

The Group identifies insurance acquisition cash flows, being the costs of selling, underwriting and starting insurance contracts. The costs are primarily commissions paid to intermediaries, including price-comparison websites, and an allocation of other operating expenses.

The Group has taken the IFRS 17 option to expense insurance acquisition cash flows immediately where the coverage period of the related contract is one year or less. As all the Group's insurance contracts have a coverage period of one year or less, all insurance acquisition cash flows are expensed when they are incurred.

ix) Modification and derecognition

An insurance contract is derecognised when:

- it is extinguished (i.e. when the obligation expires or is discharged or cancelled); or
- there is a modification of the contract that is treated as a derecognition and recognition of a new contract. This is the case where the modified terms, if applied at inception, would have resulted in:
  - a change in the measurement model or the applicable standard for measuring a component of the contract;
  - a substantially different contract boundary; or
  - the contract being included in a different group of contracts.

When a modification is not treated as a derecognition, the Group recognises amounts paid, or received, for the modification as an adjustment to the relevant liability for remaining coverage relating to the existing contract.

x) Presentation

As noted in Note 38a), during the year to 31 January 2025 the Group decided to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations. The primary statements referred to below can be found within Note 38a) (where relevant).

The Group disaggregates the total amount recognised in the statement of profit or loss into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

(a) Separate presentation of portfolios in an asset or liability position

In the statement of financial position, where applicable, the Group separately presents the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts that are assets and portfolios of reinsurance contracts that are liabilities.

(b) Changes in the risk adjustment

The Group disaggregates the change in risk adjustment for non-financial risk between a financial and non-financial portion, included within insurance finance expenses and the insurance service result respectively.

(c) Reinsurance

On the face of the income statement, income or expenses from reinsurance contracts (other than insurance finance income or expenses) are presented as a single amount, separately from the income or expenses from insurance contracts issued.

(d) Insurance finance income or expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

This largely represents:

- the unwind of the discounting of the liability for incurred claims;
- the impact of changes in the discount rate used in the measurement of the liability for incurred claims; and
- the impact of changes in the care worker inflation assumption used in the measurement of claims settled as periodical payment orders (**PPOs**).

Reinsurance finance income, or expense, is the change in the carrying value of amounts relating to reinsurance contracts arising for the same reasons.

The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI as permitted by the standard.

xi) Transition

In adopting IFRS 17, the Group applied a full retrospective approach to transition. Under the full retrospective approach to transition, at 1 February 2022, the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied (e.g. insurance receivables and payables that, under IFRS 17, are included in the measurement of the insurance contracts); and
- recognised any resulting net difference in equity.

However, the Group applied a transition exemption to not disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applied IFRS 17.

s) Share-based payments

The Group provides benefits to employees (including Executive Directors) in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (**equity-settled transactions**). The cost of equity-settled transactions is measured by reference to the fair value on the grant date and is recognised as an expense over the relevant vesting period, ending on the date on which the employee becomes fully entitled to the award.

Fair values of share-based payment transactions are calculated using market price valuation modelling techniques. In valuing equity-settled transactions, assessment is made of any vesting conditions to categorise these into market performance conditions, non-market performance conditions and service conditions.

Where the equity-settled transactions have market performance conditions (that is, performance which is directly or indirectly linked to the share price), the fair value of the award is assessed at the time of grant and is not changed, regardless of the actual level of vesting achieved, except where the employee ceases to be employed prior to the vesting date.

For service conditions and non-market performance conditions, the fair value of the award is assessed at the time of grant and is reassessed at each reporting date to reflect updated expectations for the level of vesting. No expense is recognised for awards that ultimately do not vest.

At each reporting date prior to vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and, in the case of non-market conditions, the best estimate of the number of equity instruments that will ultimately vest or, in the case of instruments subject to market conditions, the fair value on grant adjusted only for leavers. The movement in the cumulative expense since the previous reporting date is recognised in the income statement, with the corresponding increase being recognised in the share-based payments reserve.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to retained earnings in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

t) Retirement benefit schemes

During the year, the Group operated a defined benefit pension plan that required contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plan was determined separately using the projected unit credit valuation method. The defined plan was closed to future accrual on 31 October 2021. From 1 November 2021, members moved from active to deferred status.

Actuarial gains and losses arising in the year were credited/charged to OCI and comprise the effects of changes in actuarial assumptions and experience adjustments due to differences between the previous actuarial assumptions and what has actually occurred. In particular, the difference between the interest income and the actual return on plan assets is recognised in OCI.

Other movements in the net surplus or deficit, which include the current service cost, any past service cost and the effect of any curtailment or settlements, are recognised in the income statement. Past service costs are recognised in the income statement on the earlier of the date of plan curtailment and the date that the Group recognises restructuring-related costs. The Group no longer incurs any service costs or curtailment costs relating to the defined benefit pension plan as the scheme is closed to future accrual. Interest cost, calculated on the same basis as interest income recognised in profit or loss on plan assets, is also charged to the income statement.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

t) Retirement benefit schemes continued

The defined benefit schemes are funded, with assets of the schemes held separately from those of the Group, in separate Trustee administered funds. Scheme assets are measured using market values, and scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Full actuarial valuations are obtained, at least triennially, and are updated at each reporting date. The resulting defined benefit asset or liability is presented separately on the face of the statement of financial position. The value of a pension benefit asset is restricted to the amount that may be recovered, either through reduced contributions, or agreed refunds from the scheme.

For defined contribution schemes, the amounts charged to the income statement are the contributions payable in the year.

u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The costs of fulfilling a contract comprise both the incremental costs and an allocation of other direct costs.

A provision for restructuring is recognised when the Group has developed a detailed restructuring plan of the business, or part of the business concerned, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

v) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. They represent liabilities to pay for goods or services that have been received or supplied in the normal course of business, invoiced by the supplier before the year end, but for which payment has not yet been made.

w) Equity

The Group has ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

x) Own shares

Own shares represent the shares of the Company that are held by an Employee Benefit Trust (**EBT**). Own shares are recorded at cost and deducted from equity. The Directors consider that, under the terms of the contractual arrangements in place, Saga has control over the EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation.

2.4 Standards and amendments issued but not yet effective

The following is a list of standards, and amendments to standards, that were in issue but not effective, or adopted, at 31 January 2025.

a) Lack of exchangeability (amendments to International Accounting Standard (IAS) 21 'The Effects of Changes in Foreign Exchange Rates')

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments were effective for annual reporting periods beginning on, or after, 1 January 2025. The amendments are not expected to have a material impact on the Group's financial statements. The amendments are not currently endorsed by the UK Endorsement Board.

b) IFRS 18 'Presentation and Disclosures in Financial Statements'

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. IFRS 18 will replace IAS 1 'Presentation of Financial Statements'. IFRS 18 introduces three defined categories for income and expenses: operating, investing and financing. This is to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The standard is effective for annual reporting periods beginning on, or after, 1 January 2027. The impact of this standard on the Group's financial statements is still being assessed. The standard is not currently endorsed by the UK Endorsement Board.

c) Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The standard is effective for annual reporting periods beginning on, or after, 1 January 2026. The amendments are not expected to have a material impact on the Group's financial statements. The standard is not currently endorsed by the UK Endorsement Board.

d) Annual improvements to IFRS – Volume 11

The amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments are not expected to have a material impact on the Group's financial statements. The standard is not currently endorsed by the UK Endorsement Board.

2.5 First-time adoption of new standards and amendments

The following is a list of standards, and amendments to standards, that became effective, or were adopted, for the first time during the year ended 31 January 2025.

a) Classification of liabilities as current or non-current (amendments to IAS 1 'Presentation of Financial Statements')

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due, or potentially due, to be settled within one year) or non-current. The amendments were effective for annual periods beginning on, or after, 1 January 2024. The amendments had no effect on the Group's financial statements.

b) Definition of lease liability in a sale and leaseback (amendment to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendment was effective for annual reporting periods beginning on, or after, 1 January 2024. The amendments had no effect on the Group's financial statements.

c) Supplier finance arrangements (amendments to IAS 7 'Statement of Cash Flows' and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments were effective for annual reporting periods beginning on, or after, 1 January 2024. The amendments had no effect on the Group's financial statements.

d) Non-current liabilities with covenants (amendments to IAS 1)

The amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments were effective for annual reporting periods beginning on, or after, 1 January 2024. The amendments had no effect on the Group's financial statements.

2.6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Group to select accounting policies and make estimates and assumptions that affect items reported in the primary consolidated financial statements and Notes to the consolidated financial statements.

The major areas of judgement used as part of accounting policy application are summarised below:

Significant judgements

Acc. policy	Items involving judgement	Critical accounting judgement
2.3a)	Revenue recognition – identification of performance obligations arising from insurance policies brokered by the Group	Management exercised judgement in identifying separate performance obligations arising from insurance policies brokered by the Group, namely: • where the insurance contract is also underwritten by the Group, the judgement that the arrangement of the insurance policy is a service (performance obligation) that is distinct from the insurance underwriting service. The revenue allocated to the arrangement performance obligation is recognised earlier than the revenue that is allocated to the insurance underwriting service; and • the judgement that the option to fix the customer's premium at renewal for insurance policies bundled with the three-year fixed-price promise is a separate performance obligation to the arrangement of the related insurance policy. This results in the deferral of a portion of revenue from policy years one and two to policy years two and three. Please refer to Note 2.3a) for further information on the Group's performance obligations relating to revenue recognition.
2.3r)	Classification of the Group's risk transfer arrangements as reinsurance contracts	This judgement is made by applying the principles of IFRS 17. The Group's excess of loss and funds-withheld quota share reinsurance arrangements, relating to its motor underwriting line of business, are deemed to transfer significant insurance risk to the reinsurers. They are, therefore, classified as reinsurance contracts under IFRS 17.
2.3j)	Disposal groups and discontinued operations	To be classified as held for sale, an asset must be available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets, and the sale must be highly probable. A sale is considered to be highly probable when management is committed to a plan to sell an asset, an active programme to locate a buyer and complete the plan has been initiated, at a price that is reasonable in relation to its current fair value, and there is an expectation that the sale will be completed within one year from the date of classification. On 16 December 2024, subsidiaries of the Group entered into a share purchase agreement with Ageas (UK) Limited under which the Group agreed to sell to Ageas UK, and Ageas UK agreed to purchase, the entire issued share capital of AICL. At 31 January 2025, management exercised judgement in determining that the criteria for classification of the AICL disposal group as held for sale and as a discontinued operation had been met.
2.3h)	Impairment testing of goodwill and other major classes of assets	*Goodwill* The Group determines whether goodwill needs to be impaired at least annually, and twice-yearly if indicators of impairment exist at the interim reporting date of 31 July. New pricing rules set by the Financial Conduct Authority (**FCA**) came into effect on 1 January 2022, following the conclusion of the General Insurance Pricing Practices (**GIPP**) market study. As a result, and against the background of a highly competitive motor insurance market, the Group saw a fall in policy volumes in the period to 31 July 2023 and year to 31 January 2024. In the years to 31 January 2024 and 31 January 2025, high net rate inflation from our underwriting panel continued to have an adverse impact on the expected future profitability of the Insurance business. Management judged these trading impacts to constitute indicators of impairment and, therefore, conducted full impairment reviews of the Insurance Broking CGU at 31 July 2023, 31 January 2024, 31 July 2024 and 31 January 2025. As a result of these reviews, management considered it necessary to impair the goodwill allocated to the Insurance Broking CGU by £68.1m at 31 July 2023, £36.8m at 31 January 2024, £138.3m at 31 July 2024 and £nil at 31 January 2025. *Property, plant and equipment* In the years ended 31 January 2024 and 31 January 2025, management exercised its judgement in considering it unnecessary to conduct an impairment review of the Group's two Ocean Cruise ships since no indicators of impairment were identified. In the years ended 31 January 2024 and 31 January 2025, management exercised its judgement in relation to the impairment of plant and equipment assets and performed an impairment review of the recoverable amount of plant and equipment assets used by the Group. As a result of this review, management deemed it necessary to impair plant and equipment assets by £0.1m (2024: £0.1m) in the Central Costs division. Please refer to Note 17a) for further detail. *Right-of-use assets* In the years to 31 January 2024 and 31 January 2025, management exercised its judgement in considering it unnecessary to conduct an impairment review of right-of-use River Cruise ship assets, since no indicators of impairment were identified. In the year ended 31 January 2024, management exercised its judgement in relation to the impairment of right-of-use assets used by the Group's Publishing business following a restructuring exercise. As a result of this review, management deemed it necessary to impair long leasehold land and building assets by £0.1m in that business. Please refer to Note 18a) for further detail.

Notes to the consolidated financial statements continued

2.6 Significant accounting judgements, estimates and assumptions continued

Significant judgements continued

Acc. policy	Items involving judgement	Critical accounting judgement
2.3h) continued	Impairment testing of goodwill and other major classes of assets continued	*Property assets held for sale* In the years to 31 January 2024 and 31 January 2025, in light of the Group obtaining updated freehold property market valuation reports, management exercised judgement in relation to the impairment of property assets held for sale. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that a net impairment charge of £0.4m (2024: £10.4m) should be recognised accordingly. Please refer to Note 38b) for further detail. *Intangible assets* In the year ended 31 January 2024, following the cessation of development work and the decision to exit some of the Group's smaller, loss-making activities, management exercised its judgement in relation to the impairment of software assets and performed an impairment review of the recoverable amount of software assets used by the Insurance Broking and Central Costs divisions. As a result of this review, management deemed it necessary to impair software assets by £1.2m and £1.9m in the Insurance Broking business and Central Costs division respectively. Please refer to Note 16b) for further detail. In the year ended 31 January 2025, following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a)), management exercised its judgement in relation to the impairment of software assets and performed an impairment review of the recoverable amount of software assets used by the Insurance Broking division. As a result of this review, management deemed it necessary to impair software assets by £21.3m in the Insurance Broking continuing operations business and by £4.0m in relation to the intangible fixed assets held by the disposal group (Note 38a)). The latter impairment charge related to the software assets of the claims handling section of the Insurance business, which were impaired in full. Please refer to Note 16b) for further detail. In addition, management assessed the recoverable amount of software assets at 31 January 2025 and concluded that an impairment of £2.8m was required in the Group's Central Costs division.
2.3r)	Insurance contract liabilities (and related reinsurance contract assets)	*Eligibility of reinsurance contracts for the PAA* Some of the Group's groups of reinsurance contracts have a coverage period of more than 12 months, including the motor quota share arrangement, which has a three-year coverage period. Management applied judgement in concluding that these groups are eligible for the PAA on the basis that, at initial recognition, it expects that the measurement of the asset for remaining coverage under the PAA would not differ materially to that under the IFRS 17 general measurement model. *Liability for incurred claims* This judgement relates to the estimation of future claims costs in relation to areas of uncertainty. It is relevant to both components of the IFRS 17 liability for incurred claims: - The estimate of the present value of future cash flows. - The risk adjustment. The approach to determining the risk adjustment within the liability for incurred claims is a key area of judgement. Under IFRS 17, the risk adjustment reflects the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk. The Group determines the risk adjustment at the level of each IFRS 17 portfolio of insurance contracts, the most material of which is the motor portfolio, using a confidence level technique (also referred to as a Value at Risk (**VaR**) approach). Following this approach, the total liability for incurred claims (net of reinsurance) is set at the 85% confidence level (ultimate basis), with the net risk adjustment being the difference between this total net liability for incurred claims and the net estimate of the present value of future cash flows. The gross risk adjustment is derived in a similar way, with the reinsurance risk adjustment being the difference between the gross and net risk adjustments. This approach, and in particular, the use of the 85% confidence level, results in a risk adjustment that meets the IFRS 17 requirements as a key judgement. As the risk adjustment is determined at the level of each IFRS 17 portfolio, the confidence level referred to above does not reflect diversification of risk across these portfolios. A further key area of judgement relates to the discount rate that is applied to the estimate of future cash flows. Under IFRS 17, the discount rate used should reflect the liquidity characteristics of the insurance liabilities. Assessing the liquidity characteristics of the liabilities requires significant judgement. Management concluded that cash flows relating to the liability for incurred claims are illiquid and, therefore, the discount rate should include an illiquidity premium above the risk-free rate.
2.3u)	Restructuring provision	Management exercised judgement in identifying which costs should be included in the measurement of the restructuring provision. In addition, judgement is required of the best estimate of those costs.

Significant estimates

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may, therefore, differ from those estimates.

The table below sets out those items the Group considers to have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities, together with the relevant accounting policy.

Acc. policy	Items involving estimation	Sources of estimation uncertainty
2.3a)i)	Revenue recognition – three-year fixed-price product	The standalone selling price of the option to fix within the Group's three-year fixed-price feature offered by our Insurance Broking division was estimated using the expected cost plus a margin approach, as set out in paragraph 79 (b) of IFRS 15. An allowance was also made for the likelihood that the option will be exercised by factoring in the expected rate of renewal at the first and second renewal dates. The amount of revenue deferred upon initial recognition is, therefore, reduced to the extent that it is estimated that customers will not exercise the option because they either decide not to renew or they make a claim that releases the Group from its obligation to fix the customer price.
2.3f) and 2.3i)	Useful economic lives and residual values of software intangible assets and Ocean Cruise ships	The useful economic lives and residual values of software assets classified as intangible assets (Note 15) and Ocean Cruise ship assets classified as property, plant and equipment (Note 17) are assessed upon the capitalisation of each asset and, at each reporting date, are based upon the expected consumption of future economic benefits of the asset. Estimated residual values and useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation or depreciation period or method, as appropriate, and are treated as changes in accounting estimates. In relation to the annual review of estimated residual values and useful lives of Ocean Cruise ships, potential environmental regulatory changes are also considered.
2.3h)	Goodwill impairment testing	The Group determines whether goodwill needs to be impaired on an annual basis, or more frequently as required. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs, discounted at a suitably risk-adjusted rate to calculate present value. The impact of changes to pricing rules set by the FCA following the completion of the GIPP market study, particularly the highly competitive motor insurance market and the adverse impact on profit before tax for the current and prior year, increased the estimation uncertainty in the Insurance Broking CGU. The outcome of the impairment reviews conducted concluded that impairment charges of £68.1m, £36.8m, £138.3m and £nil be recognised against the Group's Insurance Broking CGU at 31 July 2023, 31 January 2024, 31 July 2024 and 31 January 2025 respectively. Sensitivity analysis was undertaken to determine the effect of changing the discount rate, the terminal value and future cash flows on the present value calculation, as shown in Note 16a).
2.3r)	Valuation of insurance contract liabilities (and related reinsurance contract assets)	*Estimates of future cash flows to fulfil liabilities for incurred claims* For insurance contracts, estimates have to be made for the expected cost of claims known but not yet settled (case reserves) and for the expected cost of IBNR claims, at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty. The ultimate cost of incurred claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain-Ladder and Bornhuetter-Ferguson methods. The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim volumes based on the observed development of earlier years. Historical claims development is primarily analysed by accident year, geographical area, significant business line and peril. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the best estimate of the ultimate cost of claims. The estimate of future cash flows arising from PPO liabilities requires an assumption for carer wage inflation. This assumption is currently set at 1.5% above the discount rate applied to liabilities for incurred claims (see below). This assumption will continue to be assessed at future measurement dates.

Notes to the consolidated financial statements continued

2.6 Significant accounting judgements, estimates and assumptions continued

Significant estimates continued

Acc. policy	Items involving estimation	Sources of estimation uncertainty
2.3r) continued	Valuation of insurance contract liabilities (and related reinsurance contract assets) continued	*Discount rate applied to liabilities for incurred claims* All the Group's liabilities for incurred claims (and related reinsurance assets) are discounted. The determination of the discount rate applied to liabilities for incurred claims is an estimate. This discount rate reflects the current risk-free interest rate in the currency of the insurance liabilities, being GBP, plus an illiquidity premium. Such a discount rate is not observable and, therefore, must be estimated. The discount rate is estimated by removing from the yield curve of a portfolio of GBP-denominated corporate bonds an estimate of the components of that yield that relate to expected and unexpected credit losses. The portfolio of corporate bonds used reflects the debt securities that the Group holds to support its insurance liabilities. Following this approach, the GBP discount rate curves that were applied to liabilities for incurred claims were as follows: (see table below) The sensitivity of this assumption is shown in Note 20a)iii). *Risk adjustment* The confidence level technique used by the Group to determine the risk adjustment requires estimation of the probability distribution of the present value of future cash flows arising from liabilities for incurred claims, including estimates of possible favourable and unfavourable outcomes. These probability distributions are estimated both gross and net of reinsurance.
2.3t)	Valuation of pension benefit obligation	The cost of defined benefit pension plans, and the present value of the pension obligation, are determined using actuarial valuations. Actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. All significant assumptions and estimates involved in arriving at the valuation of the pension scheme obligation are set out in Note 27.
2.3u)	Valuation of restructuring provision	The Group recognises a restructuring provision when a detailed plan identifies the business, or part of the business concerned, together with the location and number of employees affected. This requires detailed estimation of the associated costs, the timeline of the restructuring programme and the employees affected.

	1 year	3 years	5 years	10 years	20 years	30 years
31 January 2025	4.5%	4.4%	4.5%	4.9%	5.5%	5.6%
31 January 2024	4.9%	4.4%	4.1%	4.3%	4.9%	4.9%

3 Segmental information

For management purposes, the Group is organised into business units based on their products and services. The Group has three reportable operating segments as follows:

- **Travel:** comprises the operation and delivery of Ocean and River Cruise holidays (**Cruise**), as well as package tour and other holiday products (**Holidays**). The Group owns and operates two Ocean Cruise ships. All other holiday and River Cruise products are packaged together with third-party supplied accommodation, flights and other transport arrangements.
- **Insurance:** comprises the provision of general insurance products. Revenue is derived primarily from insurance premiums and broking revenues. The segment is further analysed into three product sub-segments:
  - Motor broking
  - Home broking
  - Other broking

The results of the Group's underwriting and claims handling businesses have been classified as discontinued operations following the announcement of the agreed sale of the Group's Insurance Underwriting business and are no longer shown in the tables overleaf (see Note 38a) for further details).

- **Other Businesses and Central Costs:** comprises the Group's other businesses and its central cost base. The other businesses primarily include Saga Money (the personal finance product offering), Saga Publishing, and the Group's mailing and printing business, CustomerKNECT.

Segment performance is evaluated using the Group's key performance measure of Underlying Profit Before Tax[4]. Items not included within a specific segment relate to transactions that do not form part of the ongoing segment performance or are managed at a Group level.

All revenue is generated solely in the UK.

Transfer prices between operating segments are set on an arm's-length basis, in a manner similar to transactions with third parties. Segment income, expenses and results include transfers between business segments that are then eliminated on consolidation.

Goodwill, bonds and the loan facility provided by Roger De Haan are not included within segments as they are managed on a Group basis.

4 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

2025	Travel £m	Insurance: Motor broking £m	Insurance: Home broking £m	Insurance: Other broking £m	Insurance: Total £m	Other Businesses and Central Costs £m	Adjustments £m	Total £m
Continuing operations								
Revenue	**453.9**	**45.9**	**31.8**	**36.7**	**114.4**	**24.6**	**(4.6)**	**588.3**
Cost of sales	(300.0)	–	–	–	–	(8.8)	–	(308.8)
Gross profit/(loss)	153.9	45.9	31.8	36.7	114.4	15.8	(4.6)	279.5
Administrative and selling expenses	(75.3)	(60.7)	(31.0)	(28.1)	(119.8)	(43.1)	4.6	(233.6)
Impairment of assets	–	(21.3)	–	–	(21.3)	(3.2)	(138.3)	(162.8)
Gain on lease modification	–	–	–	–	–	0.2	–	0.2
Net profit on disposal of property, plant and equipment	0.9	–	–	–	–	–	–	0.9
Investment income	1.5	0.9	–	–	0.9	3.7	–	6.1
Finance costs	(20.2)	–	–	–	–	(30.3)	–	(50.5)
Profit/(loss) before tax	**60.8**	**(35.2)**	**0.8**	**8.6**	**(25.8)**	**(56.9)**	**(138.3)**	**(160.2)**
Reconciliation to Underlying Profit/(Loss) Before Tax[5]								
Profit/(loss) before tax	**60.8**	**(35.2)**	**0.8**	**8.6**	**(25.8)**	**(56.9)**	**(138.3)**	**(160.2)**
Net fair value loss on derivative financial instruments	0.3	–	–	–	–	–	–	0.3
Impairment of Insurance Broking goodwill	–	–	–	–	–	–	138.3	138.3
Impairment of assets	–	21.3	–	–	21.3	3.2	–	24.5
Amortisation of fees and costs on Roger De Haan loan facility	–	–	–	–	–	3.5	–	3.5
Restructuring costs	0.9	18.2	–	–	18.2	9.3	–	28.4
Foreign exchange movement on lease liabilities	(0.6)	–	–	–	–	–	–	(0.6)
Onerous contract provision	–	(3.1)	1.3	–	(1.8)	–	–	(1.8)
Profit share on cessation of private medical insurance (**PMI**) contract	–	–	–	2.6	2.6	–	–	2.6
Ocean Cruise customer compensation and dry dock costs	1.7	–	–	–	–	–	–	1.7
IFRS 16 adjustment on River Cruise vessels	0.5	–	–	–	–	–	–	0.5
Underlying Profit/(Loss) Before Tax[5]	**63.6**	**1.2**	**2.1**	**11.2**	**14.5**	**(40.9)**	**–**	**37.2**

5 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Notes to the consolidated financial statements continued

3 Segmental information continued

2024 (re-presented[6])	Travel £m	Insurance: Motor broking £m	Insurance: Home broking £m	Insurance: Other broking £m	Insurance: Total £m	Other Businesses and Central Costs £m	Adjustments £m	Total £m
Continuing operations								
Revenue	**410.0**	**33.6**	**55.4**	**45.6**	**134.6**	**25.1**	**(5.1)**	**564.6**
Cost of sales	(292.5)	(0.5)	–	–	(0.5)	(9.0)	–	(302.0)
Gross profit/(loss)	**117.5**	**33.1**	**55.4**	**45.6**	**134.1**	**16.1**	**(5.1)**	**262.6**
Other income	5.0	–	–	–	–	–	–	5.0
Administrative and selling expenses	(67.7)	(50.3)	(35.7)	(20.6)	(106.6)	(70.3)	4.8	(239.8)
Impairment of assets	–	–	–	–	–	(8.4)	(104.9)	(113.3)
Net loss on disposal of property, plant and equipment and software	–	(0.1)	–	–	(0.1)	(0.4)	–	(0.5)
Investment income	0.8	0.4	–	–	0.4	5.4	–	6.6
Finance costs	(20.8)	(0.1)	–	–	(0.1)	(23.5)	–	(44.4)
Profit/(loss) before tax	**34.8**	**(17.0)**	**19.7**	**25.0**	**27.7**	**(81.1)**	**(105.2)**	**(123.8)**
Reconciliation to Underlying Profit/(Loss) Before Tax[7]								
Profit/(loss) before tax	**34.8**	**(17.0)**	**19.7**	**25.0**	**27.7**	**(81.1)**	**(105.2)**	**(123.8)**
Net fair value loss on derivative financial instruments	1.4	–	–	–	–	–	–	1.4
Impairment of Insurance Broking goodwill	–	–	–	–	–	–	104.9	104.9
Impairment/loss on disposal of assets	–	–	–	–	–	8.8	–	8.8
Amortisation of fees and costs on Roger De Haan loan facility	–	–	–	–	–	0.4	–	0.4
Restructuring costs	3.4	3.7	–	–	3.7	31.7	–	38.8
Disposal costs relating to the Big Window	–	–	–	–	–	–	0.3	0.3
Foreign exchange movement on lease liabilities	(0.6)	–	–	–	–	–	–	(0.6)
Onerous contract provision	–	3.1	–	–	3.1	–	–	3.1
Ocean Cruise discretionary ticket refunds and associated costs	1.0	–	–	–	–	–	–	1.0
Underlying Profit/(Loss) Before Tax[7]	**40.0**	**(10.2)**	**19.7**	**25.0**	**34.5**	**(40.2)**	**–**	**34.3**

Analysis of total assets less liabilities by segment:

	2025 £m	2024 £m
Travel	129.1	89.3
Insurance	9.8	37.0
Other Businesses and Central Costs	38.1	152.6
Adjustments	(119.3)	(55.4)
	57.7	**223.5**

Discontinued operations assets and liabilities held for sale (Note 38a)) are included within the Insurance segment total assets less liabilities figure above.

6 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

7 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Total assets less liabilities detailed as adjustments relates to the following unallocated items:

	2025 £m	2024 £m
Goodwill (Note 14)	206.4	344.7
Bonds and the loan facility with Roger De Haan	(325.7)	(400.1)
	(119.3)	**(55.4)**

a) Disaggregation of revenue

The following table provides a disaggregation of the Group's revenue by major product line, analysed by its core operating segments.

	2025			
Major product lines	**Travel £m**	**Insurance £m**	**Other Businesses and Central Costs £m**	**Total £m**
Continuing operations				
Ocean Cruise	**236.7**			**236.7**
River Cruise and Holidays	**217.2**			**217.2**
Motor broking		**45.9**		**45.9**
Home broking		**31.8**		**31.8**
Other broking		**36.7**		**36.7**
Money			**5.6**	**5.6**
Publishing and CustomerKNECT			**13.9**	**13.9**
Other			**0.5**	**0.5**
	453.9	**114.4**	**20.0**	**588.3**

	2024 (re-presented[8])			
Major product lines	Travel £m	Insurance £m	Other Businesses and Central Costs £m	Total £m
Continuing operations				
Ocean Cruise	210.0			210.0
River Cruise and Holidays	200.0			200.0
Motor broking		33.6		33.6
Home broking		55.4		55.4
Other broking		45.6		45.6
Money			6.4	6.4
Publishing and CustomerKNECT			12.5	12.5
Other			1.1	1.1
	410.0	134.6	20.0	564.6

Included in Insurance Broking revenue is instalment interest income on premium financing of £10.2m (2024: £10.0m (re-presented[8])).

8 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

Notes to the consolidated financial statements continued

3 Segmental information continued

b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers as accounted for under IFRS 15 (the amounts stated here are not insurance acquisition cash flow assets accounted for under IFRS 17):

	2025 £m	2024 £m
Contract cost assets (Note 23)	4.9	3.6
Contract liabilities (Note 29)	176.8	159.8

The contract cost assets relate to commissions paid to price-comparison websites to acquire new business policies not underwritten by the Group.

Management expects that incremental commission fees paid to price-comparison websites, as a result of obtaining insurance contracts, are recoverable. The Group has, therefore, capitalised them as contract assets amounting to £2.0m for the year ended 31 January 2025 (2024: £2.8m). These fees are amortised over the period of the expected renewal cycle. In the year to 31 January 2025, the amount of amortisation was £2.3m (2024: £1.7m) and there was no impairment loss in relation to the costs capitalised.

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

The contract liabilities relate to the deferral of revenue for performance obligations not satisfied, at 31 January, and comprise the advance consideration received from customers for holidays or cruises booked, but not travelled; and insurance premiums street pricing adjustments received in advance of the cover start date (where the policy is not underwritten by the Group). There was no revenue recognised in the current reporting year that related to performance obligations that were satisfied in a prior year.

Significant changes in the contract cost assets and the contract liabilities during the year are as follows:

	2025		2024	
	Contract cost assets £m	**Contract liabilities £m**	Contract cost assets £m	Contract liabilities £m
Balance at 1 February	3.6	159.8	2.5	126.5
Released to the income statement in the period	(2.3)	(395.4)	(1.7)	(376.1)
Additional contract balances incurred during the year	2.0	435.4	2.8	444.9
Amounts refunded to customers	–	(23.5)	–	(35.4)
Amounts reclassified to assets/liabilities held for sale	1.6	0.5	–	–
Disposed of with subsidiary undertaking (Note 13b))	–	–	–	(0.1)
Balance at 31 January	**4.9**	**176.8**	**3.6**	**159.8**

c) Transaction price allocated to the remaining performance obligations

The transaction price allocated to three-year fixed-price insurance policy renewal options, where the remaining performance obligations are not expected to be satisfied within the next 12 months, is £1.2m (2024: £2.0m). This is expected to be recognised as revenue in the subsequent one to three years.

The transaction price allocated to customer contracts within the Travel segment, where the remaining performance obligations are not expected to be satisfied within the next 12 months, is £3.8m (2024: £1.7m). This is expected to be recognised as revenue in the subsequent one to two years.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

4 Other income

	2025 £m	2024 £m
Continuing operations		
Compensation	–	5.0
	–	**5.0**

In the prior year, an amount of £5.0m was received by the Group from an insurance company as compensation for refunds paid to customers resulting from curtailment and cancellation of an ocean cruise.

5 Administrative and selling expenses

	2025 £m	2024 (re-presented[9]) £m
Continuing operations		
Staff costs (excluding restructuring costs)	86.5	95.1
Marketing and fulfilment costs	46.8	44.6
Short-term lease rentals	0.1	0.2
Auditors' remuneration	2.1	2.1
Other administrative costs	66.6	67.3
Depreciation – property, plant and equipment (Note 17)	0.7	1.0
Depreciation – right-of-use assets (Note 18)	2.2	2.0
Amortisation of intangible assets (Note 15)	8.7	7.5
Restructuring costs	18.1	18.9
	231.8	**238.7**

Administrative and selling expenses relate to non-Insurance Underwriting businesses.

a) Auditors' remuneration

	2025 £m	2024 (re-presented[9]) £m
Audit of the parent company and consolidated financial statements	0.8	1.0
Audit of subsidiary financial statements	1.0	0.8
Audit-related assurance services	0.3	0.3
Auditors' remuneration relating to continuing operations	2.1	2.1
Auditors' remuneration relating to discontinued operations (Note 38a))	0.6	0.4
Total auditors' remuneration	**2.7**	**2.5**

6 Impairment of non-financial assets

a) Impairments during the year ended 31 January 2025

During the year ended 31 January 2025, the Group impaired the carrying value of the goodwill balance allocated to the Insurance Broking CGU by £138.3m (Note 14).

The Group impaired software in its Insurance and Central Costs divisions by £25.3m and £2.8m respectively, totalling £28.1m (Note 15). Of the impairment in Insurance, £4.0m related to the claims handling section of the Insurance business to be divested of (Note 38a)) and, therefore, it has been reclassified as discontinued operations within the income statement.

Furthermore, the Group concluded that an impairment charge of £0.1m (Note 17) to plant and equipment assets was required in the Group's Central Costs division.

In light of the Group obtaining updated freehold property market valuation reports, management also impaired assets held for sale by £0.4m (Note 38b)). Within this total, £0.1m related to the underwriting section of the Insurance business to be divested of (Note 38a)) and, therefore, it has been reclassified as discontinued operations within the income statement.

b) Impairments during the year ended 31 January 2024

During the year ended 31 January 2024, the Group impaired the carrying value of the goodwill balance allocated to the Insurance Broking CGU by £104.9m (Note 14).

The Group impaired software in its Insurance Broking and Central Costs divisions by £1.2m and £1.9m respectively, totalling £3.1m (Note 15). The £1.2m impairment in the Insurance Broking division related to the claims handling section of the Insurance business to be divested of (Note 38a)) and, therefore, it has been reclassified as discontinued operations within the income statement.

Furthermore, the Group concluded that an impairment charge of £0.1m (Note 17) to plant and equipment assets was required in the Group's Central Costs division, and that an impairment charge of £0.1m (Note 18) to right-of-use assets was required in the Group's Publishing division.

In light of the Group obtaining updated freehold property market valuation reports, management also impaired assets held for sale by £10.4m (Note 38b)). Within this total, £4.2m related to the underwriting section of the Insurance business to be divested of (Note 38a)) and, therefore, it has been reclassified as discontinued operations within the income statement.

9 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

Notes to the consolidated financial statements continued

7 Investment income

	2025 £m	2024 (re-presented[10]) £m
Continuing operations		
Interest income recognised using the EIR method on FVTPL financial assets	6.0	6.2
Interest income earned on financial assets measured at amortised cost	0.1	0.4
	6.1	**6.6**

8 Finance costs

	2025 £m	2024 £m
Continuing operations		
Interest and charges on debt and borrowings using the EIR method	42.2	40.2
Net fair value loss on derivative financial instruments	0.3	1.4
Net finance costs on retirement benefit schemes	2.3	0.5
Debt issue costs	3.6	0.4
Net interest and finance charges payable on lease liabilities	2.1	1.9
	50.5	**44.4**

9 Directors and employees

Amounts charged to the income statement for the year are as follows:

	2025 £m	2024 (re-presented[10]) £m
Continuing operations		
Wages and salaries	90.7	128.3[11]
Social security costs	8.6	11.9
Pension costs (Note 27)	4.5	5.1[11]
	103.8	**145.3**
Discontinued operations		
Wages and salaries	13.6	14.2[11]
Social security costs	1.3	1.3
Pension costs (Note 27)	0.7	0.8[11]
	15.6	**16.3**
Total staff costs	**119.4**	**161.6**

Staff costs (including restructuring and redundancy costs) of £15.7m (2024: £31.3m (re-presented[10])) and £88.1m (2024: £114.0m (re-presented[10])) have been allocated to cost of sales and administrative and selling expenses respectively. Staff costs above exclude share-based payment charges of £4.2m (2024: £3.4m) and restructuring provision costs of £16.5m (2024: £nil). Further details can be found in Note 36 for share-based payments and Note 31 for the restructuring provision.

Average monthly number of employees:

	2025 number	2024 (re-presented[10]) number
Travel	1,151	2,034
Insurance	940	1,061
Other Businesses and Central Costs	380	382
Continuing operations	2,471	3,477
Employees attributable to discontinued operations	391	407
Total employee numbers	**2,862**	**3,884**

In May 2024, the Group disposed of Saffron Maritime Limited (Note 13a)). This company provided, and continues to provide, crewing services to the Ocean Cruise business. The impact of this on the total employee numbers reported above is that, after May 2024, crew members are no longer employees of the Group. This has resulted in a significant decrease in the average monthly number of employees reported for the Travel business in the current year.

10 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

11 The combined total figure (continuing plus discontinued operations) for pensions costs previously reported was £11.6m, this should have been £5.7m lower because it incorrectly included employee contributions. Similarly, the combined total figure for wages and salaries of £136.8m should have been £5.7m higher. The comparatives for the year ended 31 January 2024 have been restated accordingly

9 Directors and employees continued

Directors' remuneration

The information required by the Companies Act 2006 and the UK Listing Rules of the FCA is contained on pages 77-96 in the Directors' Remuneration Report.

Compensation of key management personnel of the Group

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and comprise the Directors of the Company and the Operating Board.

The amounts recognised as an expense during the financial year in respect of key management personnel are as follows:

	2025 £m	2024 £m
Short-term benefits	6.2	7.1
Termination costs	–	1.9
Post-employment benefits	0.1	0.1
Share-based payments	1.2	1.1
	7.5	**10.2**

10 Tax

The major components of the income tax charge/(credit) are:

	2025 £m	2024 (re-presented[12]) £m
Continuing operations		
Consolidated income statement		
Current income tax		
Current income tax credit	(0.5)	(1.8)
Adjustments in respect of previous years	0.9	(3.6)
	0.4	(5.4)
Deferred tax		
Relating to origination and reversal of temporary differences	19.0	(9.5)
Adjustments in respect of previous years	(0.9)	(0.9)
	18.1	(10.4)
Tax charge/(credit) in the income statement relating to continuing operations	**18.5**	**(15.8)**

Reconciliation of tax (charge)/credit to loss before tax, multiplied by the UK corporation tax rate:

	2025 £m	2024 (re-presented[12]) £m
Continuing operations		
Loss before tax from continuing operations	(160.2)	(123.8)
Tax at rate of 25.0% (2024: 24.0%)	(40.1)	(29.7)
Adjustments in respect of previous years	–	(4.5)
Expenses not deductible for tax purposes:		
Effect of Ocean Cruise business being in tonnage tax regime	(11.8)	(8.2)
Impairment of goodwill	34.6	25.2
Rate change adjustment on temporary differences	–	(0.4)
Corporation tax losses not recognised	27.9	–
Other deferred tax assets and liabilities not recognised	6.5	–
Other non-deductible expenses/non-taxed income	1.4	1.8
Tax charge/(credit) in the income statement relating to continuing operations	**18.5**	**(15.8)**

The Group's tax charge relating to continuing operations for the year was £18.5m (2024: £15.8m credit (re-presented[12])) representing a tax effective rate of negative 84.5% before the impairment of goodwill (2024: 83.6% (re-presented[12])). In both the current and prior years, the difference between the Group's tax effective rate and the standard rate of corporation tax was mainly due to the Group's Ocean Cruise business being in the tonnage tax regime. In addition, in the current year, it is also due to £111.6m of corporation tax losses carried forward at 31 January 2025 not being considered recoverable and, therefore, no deferred tax asset was recognised for these losses.

12 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

Notes to the consolidated financial statements continued

10 Tax continued

Adjustments in respect of previous years include an adjustment for the over-provision of tax in prior years of £nil (2024: £4.5m credit). The £4.5m credit for the prior year includes £3.2m of repayments from HM Revenue & Customs in respect of the years ended 31 January 2019 and 31 January 2020.

Deferred tax

	Consolidated statement of financial position		Consolidated income statement (continuing operations)	
	2025 **£m**	2024 £m	**2025** **£m**	2024 (re-presented[13]) £m
Excess of depreciation over capital allowances	–	4.1	5.9	(0.7)
Retirement benefit scheme liabilities	–	12.0	–	1.3
Short-term temporary differences:				
– Designated hedges recognised through OCI	–	0.3	–	–
– Share-based payment reserve	–	2.3	2.3	(0.3)
– General bad debt provision	–	1.0	1.0	(0.4)
– Capitalised borrowing costs	–	(2.5)	(2.5)	(0.1)
– IFRS 16 transition adjustments	–	1.8	1.8	(0.6)
– IFRS 17 adjustments	–	4.9	–	–
– Losses carried forward	–	9.7	9.7	(9.7)
– Other	–	1.2	(0.1)	0.1
Deferred tax charge/(credit)			**18.1**	**(10.4)**
Net deferred tax assets	**–**	**34.8**		

Deferred tax is reflected in the statement of financial position as follows:

	2025 **£m**	2024 £m
Deferred tax assets	–	49.4
Deferred tax liabilities	–	(14.6)
Net deferred tax assets	**–**	**34.8**

Reconciliation of net deferred tax assets:

	2025 **£m**	2024 (re-presented[13]) £m
At 1 February	34.8	11.5
Tax (charge)/credit recognised in the income statement from continuing operations	(18.1)	10.4
Tax (charge)/credit recognised in OCI from continuing operations	(12.3)	10.9
Deferred tax (charge)/credit attributable to discontinued operations	(4.8)	2.0
Amounts transferred to assets held for sale (Note 38a))	0.4	–
At 31 January	**–**	**34.8**

The closing deferred tax balances at the statement of financial position date have been reflected at 25%. Net deferred tax assets are expected to be normally settled in more than 12 months.

The Group has tax losses which arose in the UK of £111.6m (2024: £46.8m) that are available indefinitely for offsetting against future taxable profits of the continuing operations of the Group. Deferred tax assets have not been recognised in respect of these losses as management have assessed there are less likely than not to be sufficient future taxable profits to utilise these tax losses. The tax losses have arisen due to the Group's Ocean Cruise business being in the tonnage tax regime and thus excluded from corporate tax, meaning that taxable profits in the Group's non-Ocean Cruise businesses would be required to recognise deferred tax assets, and there are no other tax planning opportunities or other evidence of recoverability in the near future. In addition, all other net timing differences were considered not to be recoverable, therefore no deferred tax assets have been recognised in respect of the continuing business as at 31 January 2025, for the same reason that deferred tax assets were not recognised on tax losses. If the Group were able to recognise all unrecognised deferred tax assets then profit for the year would be £34.4m higher and movements through OCI would be £10.8m higher.

The Group is not in scope of the Pillar Two model rules since the Group's revenues within the last four years have been less than €750m per annum.

11 Dividends

The Board of Directors does not recommend the payment of a final dividend for the 2024/25 financial year (2024: nil pence per share). For the current and prior year, no interim or final dividends were declared, or paid, during the year.

The distributable reserves of Saga plc are £67.5m at 31 January 2025, which are equal to the retained earnings reserve. If necessary, its subsidiary companies hold significant reserves from which a dividend could be paid. Subsidiary distributable reserves are available immediately, with the exception of companies within the River Cruise, Holidays and Insurance Underwriting businesses, which require regulatory approval before any dividends can be declared and paid. Under the terms of the ship debt facilities, dividends remain restricted until the ship debt principal repayments that were deferred as part of the ship debt repayment holiday are fully repaid (Note 30). In addition, under the terms of the RCF and the loan facility provided by Roger De Haan, dividends also remain restricted.

13 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

12 Loss per share

Basic loss per share is calculated by dividing the loss after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by also including the weighted average number of ordinary shares that would be issued on conversion of all potentially dilutive options.

There were no other transactions involving ordinary shares, or potential ordinary shares, between the reporting date and the date of authorisation of these financial statements.

The calculation of basic and diluted loss per share is as follows:

	2025 £m	2024 £m
Loss attributable to ordinary equity holders	(164.9)	(113.0)
Loss from continuing operations	(178.7)	(108.0)
Weighted average number of ordinary shares	'm	'm
Ordinary shares at 1 February	139.8	139.5
Deferred Bonus Plan (**DBP**) share options exercised	0.2	0.1
Restricted Share Plan (**RSP**) share options exercised	0.5	0.2
Ordinary shares at 31 January	140.5	139.8
Weighted average number of ordinary shares for basic loss per share and diluted loss per share	140.5	139.8
Basic loss per share	**(117.4p)**	**(80.8p)**
Basic loss per share from continuing operations	**(127.2p)**	**(77.2p)**
Diluted loss per share	**(117.4p)**	**(80.8p)**
Diluted loss per share from continuing operations	**(127.2p)**	**(77.2p)**

The table below reconciles between basic loss per share and Underlying Basic Earnings Per Share[14]:

	2025	2024
Basic loss per share	(117.4p)	(80.8p)
Adjusted for:		
Net fair value loss on derivative financial instruments	0.3p	0.8p
Impairment of assets	25.6p	6.8p
Impairment of Insurance Broking goodwill	98.4p	75.0p
Disposal costs relating to the Big Window (Note 13b))	–	0.2p
Onerous contract provision	(12.3p)	6.9p
Profit share on cessation of PMI contract	2.2p	–
Amortisation of fees and costs on the Roger De Haan loan facility	3.0p	0.2p
Foreign exchange movement on lease liabilities	(0.5p)	(0.4p)
Fair value gains on debt securities	(4.3p)	(2.0p)
Changes in underwriting discount rates on non-PPO liabilities	(0.5p)	(0.6p)
Restructuring costs	26.9p	23.3p
Ocean Cruise customer compensation and dry dock costs	1.4p	–
Ocean Cruise discretionary ticket refunds and associated costs	–	0.6p
IFRS 16 lease accounting adjustment on River Cruise vessels	0.4p	–
Underlying Basic Earnings Per Share[14]	**23.2p**	**30.0p**

14 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Notes to the consolidated financial statements continued

13 Business combinations and disposals

a) Disposals during the year ended 31 January 2025

In May 2024, the Group disposed of Saffron Maritime Limited for consideration of £1.

b) Disposals during the year ended 31 January 2024

During the year ended 31 January 2024, as a result of the decision to exit some of its smaller loss-making activities, the Group made the decision to dispose of The Big Window Consulting Limited (the **Big Window**), a specialist research and insight business focussing on ageing. On 31 December 2023, the Group sold the Big Window back to its founder and Chief Executive Officer, for a nominal sum of £1. The disposal did not meet the requirements of IFRS 5 to be classified as a discontinued operation.

Details of the sale of the Big Window are as follows:

	2024 £m
Cash consideration received	–
Cash and short-term deposits disposed of as part of the transaction	–
Carrying value of net liabilities disposed	–
Loss on disposal before tax	–
Tax expense on gain	–
Loss on disposal after tax	**–**

The carrying amounts of assets and liabilities at the date of disposal were:

	At date of disposal £m
Assets	
Trade and other receivables	0.1
Total assets	0.1
Liabilities	
Contract liabilities	0.1
Total liabilities	0.1
Net liabilities disposed	**–**

14 Goodwill

	Goodwill £m
Cost	
At 1 February 2023	1,471.9
Disposal of a subsidiary (Note 13b))	(0.5)
Adjustment relating to the disposal of a subsidiary in a prior year	(13.0)
At 31 January 2024 and 31 January 2025	**1,458.4**
Impairment	
At 1 February 2023	1,022.3
Charge for the year (Note 16a))	104.9
Disposal of a subsidiary (Note 13b))	(0.5)
Adjustment relating to the disposal of a subsidiary in a prior year	(13.0)
At 31 January 2024	1,113.7
Charge for the year (Note 16a))	138.3
At 31 January 2025	**1,252.0**
Net book value	
At 31 January 2025	**206.4**
At 31 January 2024	344.7

Goodwill deductible for tax purposes amounts to £nil (2024: £nil).

The adjustment relating to the disposal of a subsidiary in a prior year relates to Destinology Limited, in the year ended 31 January 2021. At the date of disposal of the company, the net book value of the goodwill asset relating to it was £nil, being the original cost of £13.0m, less a historic impairment of £13.0m. The impact of this disposal on the Group's cumulative cost and impairment balances carried forward, at 31 January 2021, was not reflected at the time.

Notes to the consolidated financial statements continued

15 Intangible assets

	Software £m
Cost	
At 1 February 2023	115.0
Additions and internally developed software	21.7
Disposals	(18.6)
At 31 January 2024	118.1
Additions and internally developed software	**12.1**
Reclassification to assets held for sale (Note 38a))	**(12.8)**
At 31 January 2025	**117.4**
Amortisation and impairment	
At 1 February 2023	63.7
Amortisation	8.9
Impairment of assets (Note 16b))	3.1
Disposals	(18.3)
At 31 January 2024	57.4
Amortisation	**10.4**
Impairment of assets (Note 16b))	**28.1**
Reclassification to assets held for sale (Note 38a))	**(12.8)**
At 31 January 2025	**83.1**
Net book value	
At 31 January 2025	**34.3**
At 31 January 2024	60.7

The net book value of software at 31 January 2025 included internally generated software of £3.4m (2024: £26.4m) relating to Guidewire (the Group's Insurance Broking, policy administration and billing platform), including additions in the year of £10.6m (2024: £3.5m). The Guidewire platform has an expected useful economic life of 13 years, with six years of phase one expenditure remaining at 31 January 2025. During the prior year, the useful economic life of the Guidewire platform was extended from 10 years to 13 years, ending on 30 April 2031, to align with all product elements that are being moved across to the platform. Implementation, and the commencement of amortisation of the Guidewire platform, is on a phased basis, based on product re-platforming, and began in the year ended 31 January 2019. Following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a)), management performed an impairment review of software assets used by the Insurance Broking division. The outcome of the impairment review concluded that an impairment charge of £21.3m be recognised against the Group's software assets at 31 January 2025, in relation to the Guidewire platform.

The net book value of software at 31 January 2025 also included internally generated software of £1.4m (2024: £1.7m) relating to Tigerbay (the Group's travel booking reservation system) including additions in the year of £nil (2024: £nil). The Tigerbay platform has an expected useful economic life of 10 years, with four years of phase one expenditure remaining at 31 January 2025. Implementation, and the commencement of amortisation of the Tigerbay platform, is on a phased basis, based on product re-platforming, and began in the year ended 31 January 2020.

The amortisation charge for the year is analysed as follows:

	2025 £m	2024 (re-presented[15]) £m
Cost of sales	0.1	0.1
Administrative and selling expenses (Note 5)	8.7	7.5
Continuing operations	8.8	7.6
Discontinued operations (Note 38a))	1.6	1.3
	10.4	**8.9**

During the year, the Group disposed of assets with a net book value of £nil (2024: £0.3m). The profit arising on disposal was £nil (2024: £0.3m loss).

15 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

16 Impairment of intangible assets

a) Goodwill

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. The carrying value of goodwill by CGU is as follows:

	2025 £m	2024 £m
Insurance Broking	206.4	344.7
	206.4	**344.7**

The Group tests all goodwill balances for impairment at least annually and half-yearly if indicators of impairment exist at the interim reporting date of 31 July. The impairment test compares the recoverable amount of the CGU to the carrying value of its net assets, including the value of the allocated goodwill.

On 1 January 2022, new pricing rules arising from the implementation of recommendations included in the FCA's GIPP market study came into effect. As a result, and against the background of a highly competitive motor insurance market, the Group saw a fall in policy volumes in the period to 31 July 2023 and year to 31 January 2024. In the years to 31 January 2024 and 31 January 2025, high net rate inflation from our underwriting panel continued to have an adverse impact on the expected future profitability of the Insurance business. In December 2024, the Group also announced it had entered into a binding agreement with wholly owned subsidiaries in the UK of Ageas SA/NV (**Ageas**), to establish a 20-year partnership for motor and home insurance (the **Affinity Partnership**), which is expected to impact future cash flows of the business. Management considered these trading impacts to constitute indicators of impairment and, therefore, conducted full impairment reviews of the Insurance Broking CGU at 31 July 2023, 31 January 2024, 31 July 2024 and 31 January 2025. At 31 July 2024, the Group determined that the recoverable amount of the goodwill was below the carrying value, and so the Directors took the decision to impair the goodwill by £138.3m, based on a probability-weighted assessment of the base and stressed forecast cash flows modelled.

At the assessment conducted as at 31 January 2025, forecast cash flows consistent with the latest five-year plan and further stress tests, were modelled. After applying a probability weighting to the base and stressed forecast cash flows modelled, management concluded that no further impairment of goodwill was required as at 31 January 2025, leaving the total impairment charge for the year at £138.3m.

The recoverable amount of the Insurance Broking CGU was determined based on a value-in-use calculation using nominal cash flow projections from the Group's latest five-year financial forecasts to 2029/30, which were derived using past experience of the Group's trading, combined with the anticipated impact of changes in macroeconomic and regulatory factors and the expected impact of the transition to the Affinity Partnership. A terminal value was calculated using the Gordon Growth Model based on the fifth year of those projections and a terminal growth rate calculated using an assumption of 2.0% (July 2023: 2.0%; January 2024: 2.0%; July 2024: 2.0%) as the expected long-term target rate of inflation for the UK economy. The cash flows were then discounted to present value using a suitably risk-adjusted nominal discount rate based on a market-participant view of the cost of capital and debt relevant to the insurance industry.

At 31 January 2025, the pre-tax discount rate used for the Insurance Broking CGU was 13.3% (July 2023: 13.8%; January 2024: 13.0%; July 2024: 14.7%). The Group's five-year financial forecasts incorporate the modelled impact of the new pricing rules and the estimated impact that this is likely to have on future new business pricing and retention rates. As per IAS 36.44, incremental cash flows directly attributable to growth initiatives not yet enacted at the statement of financial position date were then removed for the purpose of the value-in-use calculation.

The Group also considered the impact of downside stresses, both in terms of adverse impacts to the cash flow projections and to the discount rate. For the cash flow stress test, the Group modelled the impact of a more prudent outlook on the current competitive challenges seen in the insurance broking market, in combination with a more cautious terminal growth rate based on a more conservative assumption of 1.5% (July 2023: 1.5%; January 2024: 1.5%; July 2024: 1.5%), as the outlook for growth in the UK economy. For the discount rate stress test, the Group applied risk premia of +0.4ppts at 31 January 2025 (July 2023: +0.7ppts; January 2024: +0.2ppts; July 2024: +0.5ppts).

The headroom/(deficit) of the Insurance Broking CGU against the carrying value of goodwill at the time of the review of £206.4m at 31 January 2025 (after recognising an impairment charge of £138.3m at 31 July 2024), £344.7m at 31 July 2024 (after recognising cumulative impairment charges in the year of £104.9m at 31 January 2024), and £381.5m at 31 January 2024 (after recognising an impairment charge of £68.1m at 31 July 2023), was as follows:

	Headroom/(deficit) £m								
	Base scenario			**Cash flow stress test scenario**			**Discount rate stress test scenario**		
	31 January 2025	31 July 2024	31 January 2024	**31 January 2025**	31 July 2024	31 January 2024	**31 January 2025**	31 July 2024	31 January 2024
Insurance Broking	**33.4**	(72.0)	(17.8)	**(19.2)**	(204.5)	(55.7)	**25.9**	(81.8)	(25.0)

The (deficit)/headroom calculated is sensitive to the discount rate and terminal growth rate assumed, and to changes in the projected cash flows of the CGU. Increased inflationary pressures on claims, the evolving market response to the regulatory changes introduced in early 2022 and, in particular, the extent to which market prices move against Saga in a period of heightened global economic uncertainty, combine to increase the range of possible cash flow outcomes in management's modelling. A quantitative sensitivity analysis for each of these at 31 January 2025, and its impact on the base scenario headroom against the carrying value of goodwill at the time of the review of £206.4m, is as follows:

	Pre-tax discount rate		**Terminal growth rate**		**Cash flow (annual)**	
	+1.0ppt £m	**-1.0ppt £m**	**+1.0ppt £m**	**-1.0ppt £m**	**+10% £m**	**-10% £m**
Insurance Broking	(19.0)	22.8	20.8	(16.7)	18.1	(18.1)

Notes to the consolidated financial statements continued

16 Impairment of intangible assets continued

b) Other intangible assets

Separately identifiable intangible assets are valued, and their appropriate useful lives established, at the time of acquisition. The carrying values of these assets, and their remaining useful lives, are reviewed annually for indicators of impairment.

Following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a)), management has concluded that this constitutes an indicator of impairment and has duly conducted an impairment review of the Group's other intangible fixed assets.

The outcome of this impairment review concluded that an impairment charge of £4.0m should be recognised against the intangible fixed assets held by the disposal group at 31 January 2025 (Note 38a)). The impairment charge relates to the software assets of the claims handling section of the Insurance business, which were impaired in full.

As a result of the announcement above, and subsequent impairment review, management concluded that an impairment charge of £21.3m should be recognised against the internally generated software assets relating to Guidewire (the Group's Insurance Broking, policy administration and billing platform (Note 15)). The Guidewire software assets do not form part of the intangible fixed assets held by the disposal group.

In addition, management assessed the recoverable amount of software assets at 31 January 2025 and concluded that an impairment of £2.8m was required in the Group's Central Costs division.

In the prior year, management assessed the recoverable amount of software assets at 31 January 2024 and concluded that impairments of £1.2m and £1.9m, totalling £3.1m (Note 15), were required in the Group's Insurance Broking and Central Costs divisions respectively.

17 Property, plant and equipment

	Freehold land and buildings £m	Long leasehold land and buildings £m	Ocean Cruise ships £m	Plant and equipment £m	Total £m
Cost					
At 1 February 2023	0.4	5.2	656.4	34.6	696.6
Additions	–	–	0.7	1.4	2.1
Disposals	–	(0.4)	–	(13.1)	(13.5)
Reclassification from assets held for sale (Note 38b))	–	4.1	–	–	4.1
At 31 January 2024	0.4	8.9	657.1	22.9	689.3
Additions	**–**	**–**	**5.8**	**1.1**	**6.9**
Disposals	**–**	**–**	**(0.2)**	**(0.2)**	**(0.4)**
Reclassification from assets held for sale (Note 38b))	**6.0**	**–**	**–**	**–**	**6.0**
At 31 January 2025	**6.4**	**8.9**	**662.7**	**23.8**	**701.8**
Depreciation and impairment					
At 1 February 2023	0.4	5.2	49.4	30.6	85.6
Provided during the year	–	0.1	21.0	1.7	22.8
Impairment of assets	–	–	–	0.1	0.1
Disposals	–	(0.4)	–	(12.9)	(13.3)
Reclassification from assets held for sale (Note 38b))	–	0.7	–	–	0.7
At 31 January 2024	0.4	5.6	70.4	19.5	95.9
Provided during the year	**–**	**0.1**	**21.7**	**1.4**	**23.2**
Impairment of assets	**–**	**–**	**–**	**0.1**	**0.1**
Disposals	**–**	**–**	**–**	**(0.2)**	**(0.2)**
At 31 January 2025	**0.4**	**5.7**	**92.1**	**20.8**	**119.0**
Net book value					
At 31 January 2025	**6.0**	**3.2**	**570.6**	**3.0**	**582.8**
At 31 January 2024	–	3.3	586.7	3.4	593.4

The depreciation charge for the year is analysed as follows:

	2025 £m	2024 (re-presented[16]) £m
Cost of sales	22.4	21.7
Administrative and selling expenses (Note 5)	0.7	1.0
Continuing operations	23.1	22.7
Discontinued operations (Note 38a))	0.1	0.1
	23.2	**22.8**

During the year, the Group disposed of assets with a net book value of £0.2m (2024: £0.2m). The profit arising on disposal was £0.9m (2024: £0.2m loss).

In the current year, the Group declassified one of the properties classified as held for sale at 31 January 2024, to property, plant and equipment, since it was no longer being actively marketed for disposal (Note 38b)). The carrying value of this property at 31 January 2024 was £6.0m.

In the prior year, the Group declassified one of the properties classified as held for sale at 31 January 2023, to property, plant and equipment, since it was no longer being actively marketed for disposal (Note 38b)). The carrying value of this property at 31 January 2023 was £3.4m.

a) Impairment review of property, plant and equipment

Management assessed the recoverable amount of plant and equipment assets at 31 January 2025 and concluded that an impairment charge of £0.1m was required in the Group's Central Costs division.

In the prior year, management assessed the recoverable amount of plant and equipment assets at 31 January 2024 and concluded that an impairment charge of £0.1m was required in the Group's Central Costs division.

18 Right-of-use assets

	Long leasehold land and buildings £m	River Cruise ships £m	Plant and equipment £m	Total £m
Cost				
At 1 February 2023	2.1	32.5	8.6	43.2
Additions	1.9	1.5	2.5	5.9
Disposals	–	(11.5)	–	(11.5)
At 31 January 2024	4.0	22.5	11.1	37.6
Additions	**–**	**7.3**	**0.7**	**8.0**
Disposals	**–**	**(1.6)**	**(2.1)**	**(3.7)**
Effect of modification of lease terms	**(0.3)**	**–**	**–**	**(0.3)**
At 31 January 2025	**3.7**	**28.2**	**9.7**	**41.6**
Depreciation and impairment				
At 1 February 2023	0.5	7.6	4.4	12.5
Provided during the year	0.8	9.2	1.9	11.9
Impairment of assets	0.1	–	–	0.1
Disposals	–	(11.5)	–	(11.5)
At 31 January 2024	1.4	5.3	6.3	13.0
Provided during the year	**1.1**	**4.5**	**1.8**	**7.4**
Disposals	**–**	**(1.6)**	**(2.1)**	**(3.7)**
At 31 January 2025	**2.5**	**8.2**	**6.0**	**16.7**
Net book value				
At 31 January 2025	**1.2**	**20.0**	**3.7**	**24.9**
At 31 January 2024	2.6	17.2	4.8	24.6

16 The comparative information for the year to 31 January 2024 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they have been reclassified as discontinued operations (see Note 38a))

Notes to the consolidated financial statements continued

18 Right-of-use assets continued

The depreciation charge for the year is analysed as follows:

	2025 £m	2024 £m
Cost of sales	5.2	9.9
Administrative and selling expenses (Note 5)	2.2	2.0
	7.4	**11.9**

During the year, the Group disposed of assets with a net book value of £nil (2024: £nil). The profit arising on disposal was £nil (2024: £nil).

The total cash outflow for leases amounted to £9.4m (2024: £13.6m).

In the year ended 31 January 2025, the modification of lease terms relating to long leasehold land and buildings resulted in a gain of £0.2m being reported in the income statement in the year.

a) Impairment review of right-of-use assets

The Directors concluded that there were no indicators of impairment at 31 January 2025 and, accordingly, no impairment review was deemed necessary.

In the year to 31 January 2024, management decided to restructure the Group's Publishing business. As a result of this exercise, management performed an impairment review of right-of-use assets used by the Publishing business. The outcome of this review concluded that an impairment charge of £0.1m be recognised against the Group's long leasehold land and buildings at 31 January 2024.

With the exception of the above, the Group did not consider it necessary to conduct an impairment review of right-of-use assets at 31 January 2024, since no indicators of impairment existed.

19 Financial assets and financial liabilities

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of the loans and borrowings financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include debt securities and money market funds, both held within the Insurance business (Note 38a)), trade and other receivables, and cash and short-term deposits. The Group also enters into derivative transactions such as foreign exchange forward contracts, and fuel and gas oil swaps to manage its exposure to various risks.

a) Financial assets

	2025 £m	2024 £m
FVTPL		
Foreign exchange forward contracts	0.2	–
Money market funds	62.9	32.8
Debt securities	178.7	219.1
	241.8	**251.9**
FVTPL designated in a hedging relationship		
Foreign exchange forward contracts	0.9	–
Fuel oil swaps	–	0.3
	0.9	**0.3**
Amortised cost		
Deposits with financial institutions	11.5	–
	11.5	**–**
Amounts reclassified to assets held for sale (Note 38a))	**(241.6)**	**–**
Total financial assets	**12.6**	**252.2**
Current	12.4	74.1
Non-current	0.2	178.1
	12.6	**252.2**

	2025 £m	2024 £m
Total financial assets (as above and presented on the face of the statement of financial position)	12.6	252.2
Trade receivables (Note 23)	99.7	81.4
Other receivables (Note 23)	7.0	12.2
Cash and short-term deposits (Note 25)	129.2	188.7
Total financial assets (including cash and short-term deposits, trade and other receivables)	**248.5**	**534.5**

Debt securities and money market funds relate to monies held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a))), are subject to contractual restrictions and are not readily available to be used for other purposes within the Group.

All financial assets that are measured at FVTPL are mandatorily measured at FVTPL, with the exception of debt securities which are designated as FVTPL.

b) Financial liabilities

	2025 £m	2024 £m
FVTPL		
Foreign exchange forward contracts	0.2	0.5
	0.2	**0.5**
FVTPL designated in a hedging relationship		
Foreign exchange forward contracts	0.9	2.7
Fuel oil swaps	0.5	0.8
	1.4	**3.5**
Amortised cost		
Bonds, Ocean Cruise ship loans and the loan facility provided by Roger De Haan (Note 30)	662.2	796.2
Lease liabilities	26.1	26.3
Bank overdrafts	1.6	1.9
	689.9	**824.4**
Amounts reclassified to liabilities associated with assets held for sale (Note 38a))	**(1.4)**	**–**
Total financial liabilities	**690.1**	**828.4**
Current	71.3	238.2
Non-current	618.8	590.2
	690.1	**828.4**

	2025 £m	2024 £m
Total financial liabilities (as above and presented on the face of the statement of financial position)	690.1	828.4
Trade payables (Note 26)	145.5	139.3
Other payables (Note 26)	9.0	9.0
Accruals (Note 26)	43.9	40.6
Total financial liabilities (including trade and other payables, and accruals)	**888.5**	**1,017.3**

Except for the Group's bonds and Ocean Cruise ship loans, the fair values of financial liabilities held at amortised cost are not materially different from their carrying amounts, since the interest payable on those liabilities is close to current market rates. The fair value of the Group's bonds (Note 30) at 31 January 2025 was £249.7m (2024: £356.3m). The fair value of the Group's Ocean Cruise ship loans (Note 30) at 31 January 2025 was £325.6m (2024: £356.1m).

All financial liabilities that are measured at FVTPL are mandatorily measured at FVTPL unless they are held in a designated hedging relationship.

Notes to the consolidated financial statements continued

19 Financial assets and financial liabilities continued

c) Fair values

Financial instruments held at fair value are valued using quoted market prices or other valuation techniques.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market-observable prices exist. Assumptions and market-observable inputs used in valuation techniques include foreign currency exchange rates and future oil prices.

The objective of using valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

Observable prices are those that have been seen either from counterparties or from market pricing sources, including Bloomberg. The use of these depends upon the liquidity of the relevant market.

Financial instruments held at fair value have been categorised into a fair value measurement hierarchy as follows:

i) Level 1

These are valuation techniques that are based entirely on quoted market prices in an actively traded market and are the most reliable.

All money market funds and debt securities are categorised as Level 1, as the fair value is obtained directly from the quoted active market price.

ii) Level 2

These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed either when no active market exists or when there are quoted prices available for similar instruments in active markets.

The models incorporate various inputs, including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying instrument.

All the derivative financial instruments are categorised as Level 2, as the fair values are obtained from the counterparty, brokers or valued using observable inputs. Where material, credit valuation adjustment/debit valuation adjustment risk adjustments are factored into the fair values of these instruments. At 31 January 2025, the marked-to-market values of derivative assets are net of a credit valuation adjustment attributable to derivative counterparty default risk.

The fair values are periodically reviewed by the Group's Treasury Committees.

iii) Level 3

These are valuation techniques for which any significant inputs are not based on observable market data.

The following tables provide the quantitative fair value hierarchy of the Group's financial assets and financial liabilities that are held at fair value:

	At 31 January 2025				At 31 January 2024			
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value								
Foreign exchange forwards	**–**	**1.1**	**–**	**1.1**	–	–	–	–
Fuel oil swaps	**–**	**–**	**–**	**–**	–	0.3	–	0.3
Debt securities	**178.7**	**–**	**–**	**178.7**	219.1	–	–	219.1
Money market funds	**62.9**	**–**	**–**	**62.9**	32.8	–	–	32.8
Financial liabilities measured at fair value								
Foreign exchange forwards	**–**	**1.1**	**–**	**1.1**	–	3.2	–	3.2
Fuel oil swaps	**–**	**0.5**	**–**	**0.5**	–	0.8	–	0.8
Financial assets for which fair values are disclosed								
Deposits with financial institutions	**–**	**11.5**	**–**	**11.5**	–	–	–	–
Financial liabilities for which fair values are disclosed								
Bonds, Ocean Cruise ship loans and the loan facility provided by Roger De Haan	**249.7**	**400.6**	**–**	**650.3**	356.3	356.1	–	712.4
Lease liabilities	**–**	**26.1**	**–**	**26.1**	–	26.3	–	26.3
Bank overdrafts	**–**	**1.6**	**–**	**1.6**	–	1.9	–	1.9

There were no transfers between Level 1 and Level 2 during the year. In the prior year, following a review of the Group's loans and borrowings, bonds were transferred from Level 2 to Level 1 in the fair value hierarchy. There were no non-recurring fair value measurements of assets and liabilities during the year (2024: none). The Group's policy is to recognise transfers into, and out of, fair value hierarchy levels at the end of the reporting period.

The values of the debt securities and money market funds are based upon publicly available market prices.

Foreign exchange forwards are valued using current spot and forward rates discounted to present value. They are also adjusted for counterparty credit risk using credit default swap curves. Fuel oil swaps are valued with reference to the valuations provided by third parties, which use current Platts index rates, discounted to present value.

Bonds are valued at quoted market bid prices.

Ship loans are valued using discounted cash flows at the current rates of interest.

d) Cash flow hedges

i) Forward currency risk

During the year ended 31 January 2025, the Group designated 258 foreign exchange forward currency contracts as hedges of highly probable foreign currency cash expenses in future periods (2024: 126). These contracts are entered into to minimise the Group's exposure to foreign exchange risk and are designated as cash flow hedges.

	Designated in the year		**At 31 January 2025**		At 31 January 2024	
Foreign currency cash flow hedging instruments (nominal amounts)	Volume	£m	**Volume**	**£m**	Volume	£m
Euro (**EUR**)	62	(0.7)	63	(0.7)	46	(1.2)
US dollar (**USD**)	64	0.8	64	0.8	65	(1.3)
Other currencies	132	(0.1)	132	(0.1)	97	(0.2)
Total	**258**	**–**	**259**	**–**	**208**	**(2.7)**

Hedging instruments for other currencies are in respect of Australian dollars, Canadian dollars, Swiss francs, Japanese yen, New Zealand dollars, Norwegian krone, Thai baht, Chinese yuan, Danish krona and South African rand.

ii) Commodity price risk

The Group uses derivative financial instruments to mitigate the risk of adverse changes in the price of fuel. The Group enters into fixed price contracts (swaps) in the management of its fuel price exposures. These contracts are expected to reduce the volatility attributable to price fluctuations of fuel and are designated as cash flow hedges. Hedging the price volatility of forecast fuel purchases is in accordance with the risk management strategy outlined by the Board of Directors. During the year ended 31 January 2025, the Group designated 20 fuel oil swaps as hedges of highly probable fuel oil purchases in future periods (2024: 37).

	Designated in the year		**At 31 January 2025**		At 31 January 2024	
Commodity cash flow hedging instruments (nominal amounts)	Volume	£m	**Volume**	**£m**	Volume	£m
Hedging instruments	**20**	**(0.4)**	**35**	**(0.5)**	**65**	**(0.5)**

iii) Hedge maturity profile

The table below summarises the present value of the highly probable forecast cash flows that have been designated in a hedging relationship at 31 January 2025. These cash flows are expected to become determined in profit or loss in the same period in which the cash flows occur.

Determination period	**EUR £m**	**USD £m**	**Other currencies £m**	**Total currency hedges £m**	**Fuel hedges £m**	**Total £m**
1 February 2025 to 31 July 2025	24.5	16.2	3.9	44.6	(0.1)	44.5
1 August 2025 to 31 January 2026	21.8	20.4	2.7	44.9	(0.4)	44.5
1 February 2026 to 31 July 2026	1.9	6.2	0.3	8.4	–	8.4
1 August 2026 to 31 January 2027	–	0.2	–	0.2	–	0.2
Total	48.2	43.0	6.9	98.1	(0.5)	97.6

During the year, the Group recognised net gains of £6.0m (2024: £1.3m losses) on cash flow hedging instruments through OCI into the hedging reserve. The Group recognised £nil (2024: £nil) through the income statement in respect of the ineffective portion of hedges measured during the year.

During the year, the Group de-designated four foreign currency forward contracts, with a transaction value of £6.4m, where forecast cash flows are no longer expected to occur with a sufficiently high degree of certainty to meet the requirements of IFRS 9. The accumulated losses in relation to these contracts of £0.1m were reclassified from the hedging reserve into profit or loss during the year. The Group did not de-designate any fuel oil swaps during the year. During the year, the Group recognised a £3.3m gain (2024: £1.0m loss) through the income statement in respect of matured hedges that were recycled from OCI.

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies

The Group is exposed to market risk, credit risk, liquidity risk, insurance risk and operational risk. The Group's senior management oversees these risks, supported by the Group Treasury function and Treasury Committees within the key areas of the Group that advise on financial risks and the appropriate financial risk governance framework for the Group. These functions and Committees ensure that the Group's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities are for risk management purposes and are carried out by the Group's Treasury function. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group manages concentration risk on its financial assets through a policy of diversification that is outlined in the Group Treasury Policy and approved by the Board. The policy defines the exposure limit by asset class and to third-party institutions based on the credit ratings of the individual counterparties, combined with the views of the Board. On a monthly basis, exposure to each asset class and counterparty is calculated and reported, and compliance with the policy is monitored.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group's exposure to insurance and operational risks, and the approach to managing these risks, is explained in more detail in Notes 20d) and e).

a) Market risk

Market risk is the risk that the fair value, or future cash flows, of a financial instrument, or the valuation of insurance and reinsurance contract assets and liabilities fluctuate due to changes in market prices. The Group is exposed to the following market risk factors:

- Foreign currency risk
- Commodity price risk
- Interest rate risk

The Group has policies and limits approved by the Board for managing market risk exposure. These set out the principles that the business should adhere to for managing market risk and establishing the maximum limits that the Group is willing to accept considering strategy, risk appetite and capital resources. The Group has the ability to monitor market risk exposure on a daily basis and has established limits for each component of market risk.

The Group uses derivatives for hedging its exposure to foreign currency and fuel oil price risks. The market risk policy explicitly prohibits the use of derivatives for speculative purposes. For risk exposures that the Group hedges, and for which the Group applies hedge accounting, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value, or future cash flows, of a financial asset or liability will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). The Group is not exposed to material foreign currency risk through its Insurance Underwriting activities (Note 38a)).

The Group uses foreign exchange forward contracts to manage the majority of its transaction exposures. The foreign exchange forward contracts, some of which are formally designated as hedging instruments, are entered into for periods consistent with the foreign currency exposure of the underlying transactions, generally from one to 24 months. The foreign exchange forward contracts vary with the level of expected foreign currency sales and purchases.

The following table demonstrates the sensitivity of the fair value of forward exchange contracts to a 5% change in USD and EUR exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact is shown net of tax at the current rate.

	Sensitivity of +/– 5% foreign exchange rate change in	Effect on equity	Effect on profit after tax
2025	**EUR**	**+/– £2.2m**	**+/– £0.3m**
	USD	**+/– £2.1m**	**+/– £0.5m**
2024	EUR	+/– £1.5m	+/– £0.2m
	USD	+/– £1.6m	+/– £0.2m

To the extent that forward exchange contracts are held as part of effective hedging relationships, any change to the fair value of the instrument will be offset by an equal and opposite change to the cost of the hedged item.

ii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of fuel and gas oil to sail its Ocean Cruise ships and, therefore, require a continuous supply of fuel and gas oil. The volatility in the price of fuel and gas oil has led to the decision to enter into commodity fuel and gas oil swap contracts. These contracts are expected to reduce the volatility attributable to price fluctuations of fuel and gas oil. Managing the price volatility of forecast oil purchases is in accordance with the risk management strategy outlined by the Board of Directors.

The Group manages the purchase price using forward commodity purchase contracts based on future forecast fuel oil requirements.

The following table shows the sensitivity of the fair value of fuel oil swaps to changes in the underlying fuel oil price (USD) with all other variables held constant. The impact is shown net of tax at the current rate.

	Sensitivity of +/– 5% rate change in	Effect on equity	Effect on profit after tax
2025	**USD – Fuel oil price**	**+/– £0.5m**	**–**
2024	USD – Fuel oil price	+/– £0.8m	–

iii) Interest rate risk

Interest rate risk is the risk that the fair value, or future cash flows, of a financial instrument or the valuation of insurance and reinsurance contract assets and liabilities fluctuate because of changes in market interest rates.

Interest rate risk arises from various sources:

- Investments in debt securities with a fixed interest rate, the market value and carrying value of which is affected by movements in market interest rates.
- Investments in debt securities with a floating interest rate, money market funds held within the Insurance Underwriting business and short-term deposits. Movements in market interest rates change the amounts earned from these assets but do not materially affect their market value or carrying value.
- Borrowings with a floating interest rate (deferred repayments of ship loans). Movements in market interest rates change the future cash flows that will arise from these borrowings, but do not materially affect their carrying value.
- Insurance and reinsurance contract assets and liabilities. This interest rate risk primarily arises from the discounting of liabilities for incurred claims and loss components of the liability for remaining coverage, and corresponding assets arising from reinsurance contracts. The discount rates used are linked to market interest rates, such that changes in market interest rates will affect the valuation of insurance and reinsurance contract assets and liabilities.

The Group's loans and borrowings, at 31 January 2025, had a fixed interest rate (except the deferred repayments of the ship loans) and were accounted for at amortised cost. As a result, changes in market interest rates do not affect their accounting measurement or the future cash flows arising from them and, therefore, they are not considered further in this Note. However, the Group is exposed to a risk of interest rates being higher if those borrowings are refinanced. More details on these borrowings are included in Note 30.

The Group's interest rate exposure is summarised in the following table:

	2025 £m	2024 £m
Investments in debt securities with a fixed interest rate	167.9	205.9
Investments in debt securities with a floating interest rate	10.8	13.2
Money market funds and short-term deposits	99.1	163.7
Borrowings with a floating interest rate (deferred repayments of ship loans)	(24.8)	(43.2)
Insurance contract liabilities for incurred claims	(269.6)	(326.6)
Reinsurance assets for incurred claims	117.1	175.0
Insurance contract liabilities for remaining coverage (loss component)	(1.8)	(16.1)
Reinsurance assets for remaining coverage (loss-recovery component)	–	1.3

Debt securities, money market funds, insurance contract liabilities and reinsurance assets are held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a))).

The Group manages interest rate risk in various ways. The Group has a policy of holding the majority of investments to maturity by closely matching asset and liability duration, and also ensures that the investment portfolio has a diversified range of investments such that there is a combination of fixed and floating rate securities.

20 Financial and insurance risk management objectives and policies continued

a) Market risk continued

iii) Interest rate risk continued

The following table shows the sensitivity of debt securities and insurance and reinsurance contract assets and liabilities to a 50bps parallel increase or decrease in market interest rates at the end of the reporting period, being the change in market interest rates that was considered reasonably possible at this date. This analysis assumes a corresponding change in the carer wage inflation assumption within the valuation of PPO liabilities for incurred claims, as management expects these assumptions to move together in the long term. All other variables are assumed to remain constant. This table does not show any impact on debt securities with a floating interest rate, money market funds or borrowings, as their carrying values are not materially impacted by movements in market interest rates. The impacts are shown net of tax at the current rate.

	2025		2024	
	Impact on profit after tax and on equity		Impact on profit after tax and on equity	
	50bps increase	**50bps decrease**	50bps increase	50bps decrease
Discount rate change:				
Insurance and reinsurance contracts: Net liabilities for incurred claims	£0.6m	(£0.6m)	£0.2m	(£0.2m)
Insurance and reinsurance contracts: Net loss component	£0.2m	(£0.2m)	£0.3m	(£0.3m)
Interest rate change (impact on debt securities)	(£0.6m)	£0.6m	(£1.8m)	£1.8m
Net impact	**£0.2m**	**(£0.2m)**	**(£1.3m)**	**£1.3m**

The following table shows the impact that a 50bps parallel increase or decrease in market interest rates would have had on profit after tax in the period arising from floating rate debt securities, money market funds, short-term deposits and borrowings with a floating interest rate. This analysis assumes that the Group's relevant risk exposures throughout the period had been the same as they were at the end of the period.

	2025		2024	
	Impact on profit after tax		Impact on profit after tax	
	50bps increase	**50bps decrease**	50bps increase	50bps decrease
Investments in debt securities with a floating interest rate	–	–	£0.1m	(£0.1m)
Money market funds held within the Insurance business and short-term deposits	£0.4m	(£0.4m)	£0.6m	(£0.6m)
Borrowings with a floating interest rate (deferred repayments of ship loans)	(£0.1m)	£0.1m	(£0.2m)	£0.2m
Net impact	**£0.3m**	**(£0.3m)**	**£0.5m**	**(£0.5m)**

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, insurance contract, reinsurance contract or customer contract, leading to a financial loss. The Group is primarily exposed to credit risk in relation to its financial and reinsurance assets, outstanding derivatives, trade and other receivables, and cash and cash equivalents. The Group assesses its counterparty exposure in relation to the investment of surplus cash, fuel oil and foreign currency contracts and undrawn credit facilities. The Group primarily uses published credit ratings to assess counterparty strength and, therefore, define the credit limit for each counterparty in accordance with approved treasury policies.

The credit risk in respect of trade and other receivables is generally limited, as payment from customers is primarily required before services are provided. At 31 January 2025, the maximum exposure to credit risk for trade receivables by operating segment was as follows:

	2025 £m	2024 £m
Travel	1.7	1.8
Insurance	14.0	31.9
Other Businesses and Central Costs	3.0	2.4
	18.7	36.1
Amounts relating to assets held for sale (Note 38a))	(2.4)	–
	16.3	**36.1**

The variance between the quantum of the maximum exposure to credit risk for trade receivables (above) and total of trade receivables presented in 'Trade and other receivables' (Note 23) primarily relates to debtors arising from insurance policies brokered by the Group but underwritten by third-party insurers for which corresponding creditors exist in respect of the net premium to be passed on to the third-party insurers. In the event of payment obligation default by a customer no longer on risk, the impairment of the debtor balance by the Group would lead to a corresponding reduction in the related creditor with, or refund of net premium from, the third-party insurer. In the event of payment obligation default by a customer remaining on risk, the impairment of the debtor balance by the Group would not lead to a corresponding reduction in the related creditor with, or refund of net premium from, the third-party insurer, and the Group would bear the credit risk relating to the debtor balance.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. The loss allowance required for these receivables is calculated in line with the simplified method for trade receivables per IFRS 9, whereby lifetime ECLs are recognised irrelevant of the credit risk. The loss allowance is based on a combination of:

- aged debtor analysis;
- historical experience of write-offs for each receivable;
- any specific indicators of credit deterioration observed; and
- management judgement.

Loss rates are based on the probability of a receivable progressing through successive stages of delinquency to write-off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

On that basis, the loss allowance at 31 January 2025 and 31 January 2024 was determined as follows for trade receivables:

31 January 2025	**Current**	**< 30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**> 120 days**	**Total**
Expected loss rate	0.4%	31.1%	14.5%	28.1%	25.7%	80.6%	
Gross carrying amount – trade receivables (Note 23)	£98.5m	£1.4m	£0.4m	£0.1m	£0.2m	£0.6m	£101.2m
Loss allowance (Note 23)	**£0.4m**	**£0.4m**	**£0.1m**	**–**	**£0.1m**	**£0.5m**	**£1.5m**

31 January 2024	Current	< 30 days	30-60 days	61-90 days	91-120 days	> 120 days	Total
Expected loss rate	0.2%	5.2%	4.2%	18.0%	59.1%	63.2%	
Gross carrying amount – trade receivables (Note 23)	£78.9m	£2.2m	£0.5m	£0.2m	£0.1m	£0.4m	£82.3m
Loss allowance (Note 23)	**£0.4m**	**£0.1m**	**–**	**–**	**£0.1m**	**£0.3m**	**£0.9m**

The loss allowance for trade receivables, which relates wholly to continuing activities, reconciles to the opening allowances as follows:

	2025 £m	2024 £m
Opening loss allowance at 1 February	0.9	1.1
Increase in loan loss allowance recognised in profit or loss during the year	2.0	1.3
Receivables written off during the year as uncollectable	(1.2)	(1.3)
Unused amount reversed	(0.2)	(0.2)
Closing loss allowance at 31 January	**1.5**	**0.9**

Credit risk in relation to deposits, debt securities and derivative counterparties is managed by the Group's Treasury function in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on a regular basis and updated throughout the year, subject to approval by the Board. The limits are set to minimise the concentration of risks and, therefore, mitigate financial loss through any potential counterparty failure.

In its Insurance Underwriting business (included within discontinued operations (Note 38a))), the Group is exposed to credit risk as follows:

- **Insurance contracts issued:** At 31 January 2025, the Group expected to receive £25.7m (31 January 2024: £43.8m) of premiums in the future in relation to insurance contracts that had already been entered into, representing management's view of the Group's maximum exposure to credit risk from insurance contracts issued. However, the majority of these receivables are due in advance of the related insurance coverage, which the Group would not be liable for if the premiums are not paid. As a result, the credit risk associated with these receivables is significantly mitigated and they were not recognised on the statement of financial position under the IFRS 17 PAA.
- **Reinsurance contracts:** The Group is exposed to the risk of default on its reinsurance arrangements when amounts recoverable under those arrangements become due. Credit risk in respect of reinsurance arrangements is assessed from the time of entering into a reinsurance contract. The Group's reinsurance programme is only placed with reinsurers which meet the Group's financial strength criteria. At 31 January 2025, the Group had a concentration of counterparty risk arising from reinsurance contracts, driven by a material recovery arising from the Group's motor quota share reinsurance arrangement. The highest amount of reinsurance contract assets recoverable from a single counterparty at 31 January 2025 was £21.0m (31 January 2024: £31.2m). At 31 January 2025, this reinsurer had an AA credit rating (31 January 2024: AA).

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 January 2025 and 31 January 2024 is the gross carrying amount, except for trade receivables and reinsurance contract assets. None of the financial assets measured at amortised cost, other than trade receivables where a loss allowance has been determined as set out above, were impaired at the reporting date.

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies continued

b) Credit risk continued

The Group's financial assets and reinsurance assets are analysed by credit risk rating as follows:

Ratings analysis

31 January 2025 **£m**	**AAA**	**AA**	**A**	**BBB**	**Unrated**	**Total**
Debt securities	22.8	53.2	52.4	50.3	–	178.7
Money market funds held within Insurance Underwriting	62.9	–	–	–	–	62.9
Deposits with financial institutions	–	1.0	10.5	–	–	11.5
Derivative assets	–	0.2	0.9	–	–	1.1
	85.7	54.4	63.8	50.3	–	254.2
Credit exposed component of reinsurance contract assets	–	92.8	24.3	–	–	117.1
Total	**85.7**	**147.2**	**88.1**	**50.3**	**–**	**371.3**

31 January 2024 £m	AAA	AA	A	BBB	Unrated	Total
Debt securities	23.9	59.2	70.4	65.6	–	219.1
Money market funds held within Insurance Underwriting	32.8	–	–	–	–	32.8
Derivative assets	–	–	0.3	–	–	0.3
	56.7	59.2	70.7	65.6	–	252.2
Credit exposed component of reinsurance contract assets	–	134.1	42.2	–	–	176.3
Total	**56.7**	**193.3**	**112.9**	**65.6**	**–**	**428.5**

Debt securities, money market funds and the credit exposed component of reinsurance contract assets are held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a)).

c) Liquidity risk

Liquidity risk is the risk that the Group, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Group's approach to managing liquidity risk is to evaluate current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash or availability on its RCF. The Group manages its obligations to pay claims to policyholders as they fall due by matching the maturity of investments to the expected maturity of claims payments.

The table below analyses the maturity profile of the Group's financial liabilities and insurance contract liabilities. The analysis of non-derivative financial liabilities is based on the remaining period at the reporting date to the contractual maturity date. The analysis of insurance contract liabilities includes only the component of this balance that relates to liabilities for incurred claims arising from portfolios of insurance contracts that are in a liability position and is based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented (this excludes the risk adjustment).

31 January 2025 **£m**	**On demand**	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Bonds, Ocean Cruise ship loans and the loan facility provided by Roger De Haan	–	55.7	379.2	46.4	43.8	43.8	100.9	669.8
Interest on bonds, Ocean Cruise ship loans and the loan facility provided by Roger De Haan	–	31.6	18.9	6.6	5.2	3.9	4.3	70.5
Bank overdrafts	1.6	–	–	–	–	–	–	1.6
Insurance contract liabilities	–	69.1	43.1	25.3	14.6	7.5	76.3	235.9
Derivative liabilities	–	1.6	–	–	–	–	–	1.6
Lease liabilities	–	5.1	4.9	4.4	4.7	3.0	4.0	26.1
Interest on lease liabilities	–	1.6	1.2	0.9	0.5	0.3	0.2	4.7
	1.6	**164.7**	**447.3**	**83.6**	**68.8**	**58.5**	**185.7**	**1,010.2**

31 January 2024 £m	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Bonds and Ocean Cruise ship loans	–	212.2	55.7	304.2	46.5	43.8	144.6	807.0
Interest on bonds and Ocean Cruise ship loans	–	29.1	24.1	15.3	6.6	5.2	8.2	88.5
Bank overdrafts	1.9	–	–	–	–	–	–	1.9
Insurance contract liabilities	–	84.9	25.4	27.6	22.9	11.4	114.2	286.4
Derivative liabilities	–	3.6	0.4	–	–	–	–	4.0
Lease liabilities	–	5.4	4.1	3.8	2.9	3.0	7.1	26.3
Interest on lease liabilities	–	1.5	0.9	0.8	0.6	0.4	0.5	4.7
	1.9	**336.7**	**110.6**	**351.7**	**79.5**	**63.8**	**274.6**	**1,218.8**

Insurance contract liabilities are held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a)).

The table below sets out the remaining contractual maturities of the financial assets supporting the Group's insurance contract liabilities (included within discontinued operations (Note 38a)). It is presented on an undiscounted basis.

31 January 2025 £m	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**No maturity**	**Total**
Debt securities	77.2	50.9	35.4	9.0	7.4	13.3	–	193.2
Money market funds held within Insurance Underwriting	–	–	–	–	–	–	62.9	62.9
	77.2	**50.9**	**35.4**	**9.0**	**7.4**	**13.3**	**62.9**	**256.1**

31 January 2024 £m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	No maturity	Total
Debt securities	47.9	76.8	53.5	34.8	9.1	21.4	–	243.5
Money market funds held within Insurance Underwriting	–	–	–	–	–	–	32.8	32.8
	47.9	**76.8**	**53.5**	**34.8**	**9.1**	**21.4**	**32.8**	**276.3**

d) Insurance risk

Insurance risk applies to the Group's Insurance Underwriting business (included within discontinued operations (Note 38a))).

Insurance risk arises from the inherent uncertainties as to the occurrence, cost and timing of insured events that could lead to significant individual or aggregated claims in terms of quantity or value. This could be for a number of reasons, including weather-related events, large individual claims, changes in claimant behaviour patterns such as increased levels of fraudulent activities, the use of PPOs, prospective or retrospective legislative changes, unresponsive and inaccurate pricing or reserving methodologies, and the deterioration in the Group's ability to effectively and efficiently handle claims while delivering excellent customer service.

The Group manages insurance risk within its risk management framework as set by the Board. The key policies and processes mitigating these risks have been implemented, which include underwriting partnership arrangements, reinsurance excess of loss contracts, pricing policies and claims management, and administration policies.

i) Underwriting and pricing risk

The Group primarily underwrites motor insurance for private cars in the UK. The book consists of a large number of individual risks which are widely spread geographically, which helps to minimise concentration risk. The Group has controls in place to restrict access to its products to only those risks that it wishes to underwrite.

The Group has management information to allow it to monitor underwriting performance on a continuous basis and the ability to make pricing and underwriting changes quickly. The Group undertakes detailed statistical analysis of underwriting experience for each rating factor, and combination of rating factors, to enable it to adjust pricing for emerging trends.

ii) Reserving risk

Reserving risk is the risk that insufficient funds have been set aside to settle claims as they fall due. The Group undertakes regular internal actuarial reviews and commissions external actuarial reviews at least once a year. These reviews estimate the future liabilities to consider the adequacy of the provisions.

Claims which are subject to PPOs are a significant source of uncertainty within the Group's liability for incurred claims. Cash flow projections are undertaken for PPO claims to estimate the gross and net of reinsurance provisions required.

iii) Reinsurance

The Group purchases reinsurance to reduce the impact of individual large losses or accumulations from a single catastrophic event. During 2018, the Group entered into a funds-withheld quota share reinsurance contract that reinsures 80% of the Group's motor claims risks limited by a loss ratio cap of 130%, effective from 1 February 2019. Prior to this, the Group had a funds-withheld quota share reinsurance contract in place that reinsured 75% of the Group's motor claims risks limited by a loss ratio cap of 120%. The Group also purchases individual excess of loss protections for the motor portfolio to limit the impact of a single large claim. Similar protections are in place for all years for which the Group has underwritten motor business.

Reinsurance recoveries on individual excess of loss protections can take many years to collect, particularly if a claim is subject to a PPO. This means that the Group has exposure to reinsurance credit risk for many years. Reinsurers are, therefore, required to have strong credit ratings and their financial health is regularly monitored.

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies continued

d) Insurance risk continued

iv) Sensitivities

The following tables demonstrate the impact on profit or loss before tax, and equity, of reasonably possible changes in insurance risk variables at 31 January 2025 and 31 January 2024. These impacts are shown both gross and net of reinsurance. It is assumed that all other variables remain constant.

	2025		2024	
	Impact on profit after tax and on equity		Impact on profit after tax and on equity	
£m	**Gross of reinsurance**	**Net of reinsurance**	Gross of reinsurance	Net of reinsurance
Change in the confidence level of liabilities for incurred claims				
5ppt increase to 90% net confidence level	(8.8)	(0.9)	(9.0)	(1.2)
5ppt decrease to 80% net confidence level	6.6	0.7	6.8	0.9
Change in the confidence level of the onerous contract provision				
5ppt increase to 90% net confidence level	(1.9)	(1.9)	(3.0)	(2.7)
5ppt decrease to 80% net confidence level	1.0	1.0	3.4	2.8
Change in non-PPO claim inflation assumption within liabilities for incurred claims				
100bps increase	(3.1)	(0.9)	(4.7)	(1.4)
100bps decrease	3.0	0.8	4.5	1.3

The impact of any change in the PPO claim inflation (specifically the carer wage inflation assumption) is not shown in the table above as management would expect such a change to be substantially offset by the impact of a corresponding change in the IFRS 17 discount rate.

e) Operational risk

Effective operational risk management requires the Group to identify, assess, manage, monitor, report and mitigate all areas of exposure. The Group operates across a range of segments, and operational risk is inherent in all the Group's products and services, arising from the operation of assets, from external events and dependencies, and from internal processes and systems.

The Group manages its operational risk through the risk management framework agreed by the Board, and through the use of risk management tools which, together, ensure that operational risks are identified, managed and mitigated to the level accepted, and that contingency processes and disaster recovery plans are in place. Regular reporting is undertaken to segment boards and includes details of new and emerging risks, as well as monitoring of existing risks. Testing of contingency processes and disaster recovery plans is undertaken to ensure the effectiveness of these processes.

All the Group's operations are dependent on: the proper functioning of its IT and communication systems; its properties and other infrastructure assets; the need to adequately maintain and protect customer and employee data and other information; and the ability of the Group to attract and retain colleagues. Specific areas of operational risk by segment include:

i) Travel

The Travel segment operates two Ocean Cruise ships, which are the Group's largest trading assets. Risk to the operation of these cruise ships arises from the impact of mechanical or other malfunction, non-compliance with regulatory requirements, and from global weather and socioeconomic events. The tour holidays operated by the segment are also affected by global weather and socioeconomic events, which impact either the Group directly or its suppliers. The Travel segment transacts with multiple suppliers, which minimises the impact of any socioeconomic events affecting its suppliers.

ii) Insurance

The Insurance segment is required to comply with various operational regulatory requirements, primarily in the UK but also within Gibraltar for its Insurance Underwriting business (Note 38a). To the extent that significant external events could increase the incidence of claims, these would place additional strain on the claims handling function but any financial impact of such an event is considered to be an insurance risk.

iii) Other Businesses and Central Costs

The financial services business is required to comply with various operational regulatory requirements in the UK.

21 Interests in unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting, or similar, rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. The Group has interests in unconsolidated structured entities in the form of investment funds comprising money market funds. These money market funds are held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a))).

The nature and purpose of the money market funds is to provide maximum security and liquidity for the funds invested, while also providing an adequate return. The money market funds used by the Group are all members of the Institutional Money Market Funds Association. They are thus required to maintain specified liquidity and diversification characteristics of their underlying portfolios, which comprise investment grade investments in financial institutions.

The Group invests in unconsolidated structured entities as part of its investment activities. The Group does not sponsor any of the unconsolidated structured entities.

The Group's total interest in unconsolidated structured entities of £62.9m (2024: £32.8m) are analysed as follows:

At 31 January 2025	**Carrying value £m**	**Interest income £m**	**Fair value gains £m**
Money market funds	**62.9**	**2.0**	**–**

At 31 January 2024	Carrying value £m	Interest income £m	Fair value losses £m
Loan funds	–	0.2	–
Money market funds	32.8	0.7	–

These investments are typically managed under credit risk management as described in Note 20. The Group's maximum exposure to loss on the interests presented above is the carrying amount of the Group's investments. No further loss can be made by the Group in relation to these investments. For this reason, the total assets of the entities are not considered meaningful for the purposes of understanding the related risks and so have not been presented.

22 Inventories

	2025 £m	2024 £m
Raw materials	0.2	0.2
Technical stocks	4.5	4.2
Work in progress	–	0.1
Finished goods	3.6	3.6
	8.3	**8.1**

Technical stocks are spare parts for the Group's Ocean Cruise ships. Finished goods primarily relate to Ocean Cruise ship fuel, food, bar and sundry stocks.

23 Trade and other receivables

	2025 £m	2024 £m
Trade receivables (Note 20b))	101.2	82.3
Loss allowance (Note 20b))	(1.5)	(0.9)
	99.7	81.4
Amounts due from discontinued operations	2.7	–
Other receivables	7.0	12.2
Prepayments	24.6	24.4
Contract cost assets (Note 3b))	4.9	3.6
Other taxes and social security costs	4.8	6.1
	143.7	**127.7**

An explanation of how the Group manages and measures the credit risk of trade receivables can be found in Note 20b). The Group expects trade and other receivables to be normally settled within 12 months. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Notes to the consolidated financial statements continued

24 Trust and escrow accounts

The Civil Aviation Authority (**CAA**) regulated the Group's River Cruise and Holidays businesses during the year; these businesses are required to hold cash in a ring-fenced arrangement. In respect of the non-flight components of the Travel business, to comply with its regulatory obligations, the Group is required to arrange financial security to protect customer monies and this is currently provided through the Association of British Travel Agents (**ABTA**). In addition, the Group is required to make ATOL Protection Contributions, which the Group pays into a ring-fenced account.

Prior to 28 March 2023, 100% of customer monies were paid into trust (**Trust Accounting**) until the Group had fulfilled its obligations and the customer had returned from their holiday. The trust was administered and controlled by an independent trustee, PT Trustees Limited. On this date, the Group moved from Trust Accounting to a 70% escrow arrangement (**Escrow Accounting**). This means that, from 28 March 2023, the Group pays 70% of customer monies received into an escrow arrangement. From 1 October 2024, in respect of the Holidays business, the Group moved from Escrow Accounting to simply holding cash within the business, in respect of the 70% element of customer monies. The remaining 30% is used to support the required prepayments in advance of operating the customer's holiday, namely flight costs. Interest arising from the funds held in escrow belongs to the Group.

In relation to ABTA bookings, a bonding requirement still exists (Note 37c)).

25 Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	93.0	57.8
Short-term deposits and money market funds held outside of the Insurance Underwriting business	36.2	130.9
Cash and short-term deposits	129.2	188.7
Money market funds (Note 19)	–	32.8
Bank overdraft	(0.2)	(1.9)
Cash and cash equivalents held by disposal group (including money market funds)	74.1	–
Cash and cash equivalents in the consolidated statement of cash flows	**203.1**	**219.6**

Included within cash and cash equivalents are amounts held by the Group's Insurance Underwriting business (included within discontinued operations (Note 38a))), and River Cruise and Holidays businesses, which are subject to contractual or regulatory restrictions (Note 35). The amounts held are not readily available to be used for other purposes within the Group and total £123.8m (2024: £49.8m). Available Cash[17] excludes these amounts.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are typically made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The bank overdraft is subject to a guarantee in favour of the Group's bankers and is limited to the amount drawn. The bank overdraft is repayable on demand.

26 Trade and other payables

	2025 £m	2024 £m
Trade payables	145.5	139.3
Amounts due to discontinued operations	54.4	–
Other payables	9.0	9.0
Other taxes and social security costs	2.1	10.8
Assets in the course of construction	0.4	1.6
Accruals	43.9	40.6
	255.3	**201.3**

All trade and other payables are current in nature. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

17 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

27 Retirement benefit schemes

The Group operates retirement benefit schemes for the employees of the Group consisting of a defined contribution plan and a legacy defined benefit plan.

In July 2021, following the completion of a review of the Group's pension arrangements, a consultation process with active members was launched. The consultation process concluded during October 2021 and, with effect from 31 October 2021, the Group closed both its existing schemes to future accrual: the Saga Pension Scheme (its defined benefit plan) and the Saga Workplace Pension Plan (its defined contribution plan). In their place, the Group launched a new defined contribution pension scheme arrangement, operated as a master trust. This move served to reduce the risk of further deficits developing in the future on the defined benefit scheme, while moving to a fairer scheme for all colleagues.

a) Defined contribution plans

There was one defined contribution scheme in the Group at 31 January 2025 (2024: one). The total charge for the year in respect of the defined contribution schemes was £5.2m (2024: £5.9m (restated[18])). The assets of these schemes are held separately from those of the Group in funds under the control of Trustees.

b) Defined benefit plan

The Group operated a funded defined benefit scheme, the Saga Pension Scheme, which was closed to future accrual on 31 October 2021. From 1 November 2021, members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the Consumer Price Index. There will be no further service charges relating to the scheme and no future monthly employer contributions for current service.

The scheme is governed by the employment laws of the UK. The level of benefits provided depends on the member's length of service and average salary while a member of the scheme. The scheme requires contributions to be made to a separately administered fund which is governed by a Board of Trustees and consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The long-term investment objectives of the Trustees and the Group are to limit the risk of the assets failing to meet the liabilities of the scheme over the long term, and to maximise returns consistent with an acceptable level of risk so as to control the long-term costs of the scheme. To meet those objectives, the scheme's assets are invested in different categories of assets, with different maturities designed to match liabilities as they fall due. The investment strategy will continue to evolve over time, and is expected to match the liability profile increasingly closely. The pension liability is exposed to inflation rate risks and changes in the life expectancy of members. As the plan assets include investments in quoted equities, the Group is exposed to equity market risk. The Group provided super security to the Trustees of the scheme, which ranks before any liabilities under the senior facilities agreement (as detailed in Note 30). The value of the security has been increased from being capped at £47.5m, to being capped at £51.4m, under the latest triennial valuation of the scheme at 31 January 2023, which was completed in January 2025.

The fair value of the assets and present value of the obligations of the Saga defined benefit scheme are as follows:

	2025 £m	2024 £m
Fair value of scheme assets	200.1	204.5
Present value of defined benefit obligation	(239.9)	(252.4)
Defined benefit scheme liability	**(39.8)**	**(47.9)**

The present values of the defined benefit obligation were measured using the projected unit credit valuation method.

During the year ended 31 January 2025, the net liability position of the Saga scheme reduced by £8.1m, resulting in an overall scheme deficit of £39.8m, mainly as a result of a recovery plan contribution being paid by the Group, and a reduction in the value placed on the liabilities as a result of increases in bond yields over the year. The latter was partially offset by the movement in matching assets held by the scheme, which also decreased. The £5.8m deficit funding contribution was paid by the Group in February 2024 in relation to a recovery plan agreed under the triennial valuation of the scheme at 31 January 2020.

The movements observed in the scheme's assets and obligations were impacted by macroeconomic factors during the year where, at a global level, there have been rising inflation and cost of living pressures, as well as shifts in long-term market yields. The present value of defined benefit obligations decreased by £12.5m to £239.9m, primarily as a result of increases in bond yields over the year, partly offset by an increase in future expectations for inflation. The fair value of scheme assets decreased by £4.4m, to £200.1m, largely driven by the recovery plan payment, being more than offset by lower returns on assets from the fall in interest rates in the year.

18 The comparative for the year ended 31 January 2024 has been restated from the figure previously reported of £11.6m because it incorrectly included employee contributions of £5.7m

Notes to the consolidated financial statements continued

27 Retirement benefit schemes continued

b) Defined benefit plan continued

The following table summarises the components of the net benefit expense recognised in the income statement, OCI and amounts recognised in the statement of financial position for the scheme for the year ended 31 January 2025:

	Fair value of scheme assets £m	Defined benefit obligation £m	Defined benefit scheme liability £m
1 February 2024	204.5	(252.4)	(47.9)
Pension cost charge to income statement			
Net interest	10.2	(12.5)	(2.3)
Included in income statement	10.2	(12.5)	(2.3)
Return on plan assets (excluding amounts included in net interest expense)	(13.0)	–	(13.0)
Actuarial changes arising from changes in financial assumptions	–	18.1	18.1
Actuarial changes arising from changes in demographic assumptions	–	0.4	0.4
Experience adjustments	–	(0.9)	(0.9)
Subtotal included in OCI	(13.0)	17.6	4.6
Benefits paid	(7.4)	7.4	–
Total contributions by employer	5.8	–	5.8
At 31 January 2025	**200.1**	**(239.9)**	**(39.8)**

The following table summarises the components of the net benefit expense recognised in the income statement, OCI and amounts recognised in the statement of financial position for the scheme for the year ended 31 January 2024:

	Fair value of scheme assets £m	Defined benefit obligation £m	Defined benefit scheme liability £m
1 February 2023	224.1	(236.2)	(12.1)
Pension cost charge to income statement			
Net interest	10.3	(10.8)	(0.5)
Included in income statement	10.3	(10.8)	(0.5)
Return on plan assets (excluding amounts included in net interest expense)	(29.2)	–	(29.2)
Actuarial changes arising from changes in financial assumptions	–	15.8	15.8
Actuarial changes arising from changes in demographic assumptions	–	13.5	13.5
Experience adjustments	–	(41.2)	(41.2)
Subtotal included in OCI	(29.2)	(11.9)	(41.1)
Benefits paid	(6.5)	6.5	–
Total contributions by employer	5.8	–	5.8
At 31 January 2024	**204.5**	**(252.4)**	**(47.9)**

The major categories of assets in the scheme are as follows:

	2025 £m	2024 £m
Equities	49.9	34.8
Bonds	83.6	80.9
Property and alternatives	55.5	63.6
Hedge funds	6.1	18.0
Insured annuities	3.0	3.2
Cash and other	2.0	4.0
Total	**200.1**	**204.5**

Equities and bonds are all quoted in active markets, while property and hedge funds are not. Unit prices of approximately 28% of the assets were not available at 31 January 2025 and were based on unit prices prior to the statement of financial position date (2024: approximately 30%). The impacts of COVID-19 over the past five years, and the Russia-Ukraine conflict, increased the level of uncertainty and volatility in global financial markets. While the ultimate extent of the effect of this on the asset portfolio is not possible to quantify, management used the latest available fund pricing data to derive the valuations of assets which are not quoted in active markets. Where assets do not have an observable market price, approximate techniques were used by the valuer to arrive at a valuation.

The scheme's investment strategy is to invest broadly 60% in return-seeking assets and 40% in matching assets (mainly government bonds). This strategy reflects the scheme's liability profile and the Trustees' and Group's attitude to risk. The scheme's investments include interest rate and inflation hedging. The Trustees' investment strategy also includes investing in liability-driven investment, the value of which will increase with decreases in interest rates and will move with inflation expectations. During the year, the scheme hedged around 85% of interest rate risk and inflation risk of the liabilities.

Included within bonds is a hedging component totalling £83.6m (2024: £75.8m). The property and alternatives category includes illiquid credit funds totalling £47.0m (2024: 51.1m) held as part of the return-seeking asset portfolio.

The pension scheme has not invested in any of the Group's own financial instruments.

The principal assumptions used in determining pension benefit obligations for the scheme are shown below:

	2025	2024
Real rate of increase of pensions in payment	3.10%	3.05%
Real rate of increase of pensions in deferment	3.00%	2.90%
Discount rate – pensioner	5.45%	5.00%
Discount rate – non-pensioner	5.50%	5.00%
RPI Inflation – pensioner	3.30%	3.20%
RPI Inflation – non-pensioner	3.15%	3.05%
CPI Inflation – pensioner	3.00%	2.85%
CPI Inflation – non-pensioner	2.95%	2.85%
Life expectancy of a member retiring in 20 years' time at age 60 – Male	26.4 yrs	26.4 yrs
Life expectancy of a member retiring in 20 years' time at age 60 – Female	28.6 yrs	28.6 yrs
Mortality base tables		
Continuous Mortality Investigation (**CMI**) Standard tables – Male (all amounts)	S3PA	S3PA
CMI Standard tables – Female (middle amounts)	S3PA	S3PA
Scheme specific adjustment – Active Male	n/a	n/a
Scheme specific adjustment – Active Female	n/a	n/a
Scheme specific adjustment – Deferred Male	116%	116%
Scheme specific adjustment – Deferred Female	116%	116%
Scheme specific adjustment – Pensioner Male	106%	106%
Scheme specific adjustment – Pensioner Female	111%	111%

The discount rate assumption is used to calculate the defined benefit obligation. The rate is derived from high-quality corporate bonds, generally regarded as those with an AA rating. As in the prior year, management has opted to use the XPS Single Agency curve for deriving the discount rate assumptions at January 2025.

In recent years, management made an allowance for inflation risk premium of 0.2% due to the scheme losing some of its inflation hedge. The inflation risk premium of 0.2% was retained for the valuation at 31 January 2025.

Notes to the consolidated financial statements continued

27 Retirement benefit schemes continued

b) Defined benefit plan continued

Mortality assumptions are set using standard tables based on specific experience, where available, and allow for future mortality improvements. The scheme assumption is that a member currently aged 60 will live, on average, for a further 24.8 years if they are male and, on average, for a further 27.1 years if they are female. For the valuation at 31 January 2025, mortality assumptions were based on the latest data released by the CMI, being their CMI_2023 data model. The core CMI 2023 model places no weight on data in 2020 and 2021 COVID-19 pandemic data and a 15% weight on data from 2022 onwards via the weight parameter. This has acted to reduce the value of the liabilities in the scheme.

A quantitative sensitivity analysis for significant assumptions at 31 January 2025 and their impact on the scheme liabilities is as follows:

Assumptions	Discount rate		Future inflation		Life expectancy at age 65	
Sensitivity	+/– 0.25%		+/– 0.25%		+/– 1 year	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact £m	(9.6)	10.2	5.0	(5.5)	6.1	(6.1)

Note: a positive impact represents an increase in the net defined benefit liability.

The sensitivity analyses are based on a change in an assumption, while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method was applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumption used in preparing the sensitivity analysis did not change compared with the prior period.

The expected contribution in respect of the accrual of benefits payable to the scheme for the next financial year is £nil and the average duration of the defined benefit plan obligation at the end of the reporting period reduced from 18 years, down to 17 years. Formal actuarial valuations take place every three years for the scheme. The assumptions adopted for actuarial valuations are determined by the Trustees, agreed with the Group, and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are a best estimate. Where a funding deficit is identified, the Group and the Trustees may agree a deficit recovery plan to pay additional contributions above those needed to fund the scheme.

The Group's latest approved triennial valuation of the Saga Scheme defined benefit plan at 31 January 2023 was completed in January 2025. Saga, and certain guarantor subsidiaries in the Group, have provided super security to the Trustees of the scheme, which ranks before any liabilities under the Group's bank facilities. The value of the security was increased from being capped at £47.5m, to being capped at £51.4m under the latest triennial valuation. Further to this valuation, a recovery plan is in place for the scheme. Under an agreed deficit recovery plan totalling £62.0m, the Group made an additional payment of £5.8m during the year ended 31 January 2025 and will make annualised payments of £5.8m rising to £7.2m over the next eight financial years, with the last payment being made on 30 November 2032. In addition:

- the current annual recovery plan payments will change to equal quarterly payments with effect from the 28 February 2025 payment; and
- the contributions will increase in line with the Retail Price Index with effect from the contribution due 28 February 2027.

The total expected contribution in the year ending 31 January 2026 is £5.8m and relates entirely to the recovery payment.

The Group also agreed to pay additional amounts into an escrow account, should asset returns fall below an agreed level over set periods of time. Dependent upon the level of return on the scheme's assets between 31 January 2023 and 31 January 2033, any amount in the escrow account will be released to either the Group, or the scheme, by 30 June 2033.

In October 2024, the Group agreed certain amendments with the Trustees in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of a 20-year partnership for motor and home insurance with Ageas (Note 38a)). On completion of the disposal of the Group's Insurance Underwriting business, Acromas Insurance Company Limited (**AICL**), a Section 75 debt in relation to its share of the scheme's liabilities of c.£4.4m will be triggered for settlement by the Company.

In January 2025, the Group agreed certain amendments with the Trustees in order to permit, among other things, the completion of refinancing of the Group's corporate debt (Note 30). One of the amendments agreed was an increase in the super security from being capped at £47.5m, to being capped at £51.4m (see above).

A High Court legal ruling in June 2023 (Virgin Media Limited v NTL Pension Trustees II Limited) decided that certain rule amendments were invalid if they were not accompanied by the correct actuarial Section 37 certificate confirmation. While the ruling only applied to the specific pension scheme in question, it could be expected to apply across other pension schemes that were contracted out on a salary-related basis and made amendments between 6 April 1997 and 6 April 2016. The ruling was appealed but, in July 2024, the Court of Appeal dismissed the appeal. The Group is considering the implications of the case on its defined benefit scheme. At 31 January 2025, the defined benefit obligation for the Group's scheme was calculated on the basis of the pension benefits currently being administered. The Group has not, as yet, assessed any potential impact due to the court ruling. However, the Group received initial legal advice, which suggests that there is no reason, based on the checks carried out, to assume that any historical scheme changes were not validly made, and that it is reasonable for the Trustees to take no further action at this stage. Any subsequent developments following the Court of Appeal's judgement will be monitored by the Group.

28 Insurance and reinsurance contract liabilities and assets

a) Reconciliation of opening and closing balances

The following tables reconcile the opening and closing balances held in relation to insurance and reinsurance contracts (Note 38a)):

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component £m	Loss component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	Total £m
At 1 February 2024					
Insurance contract liabilities	**(56.6)**	**(16.1)**	**(286.4)**	**(40.2)**	**(399.3)**
Insurance revenue (Note 38a))	197.1	–	–	–	197.1
Incurred claims and related expenses	–	20.7	(148.1)	(7.1)	(134.5)
Changes to liabilities for incurred claims	–	–	37.0	15.5	52.5
Insurance acquisition cash flows expensed	(22.7)	–	–	–	(22.7)
Losses on onerous contracts and changes in such losses	–	(6.4)	–	–	(6.4)
Other incurred insurance service expenses	–	–	(13.2)	–	(13.2)
Insurance service (expenses)/income (Note 38a))	(22.7)	14.3	(124.3)	8.4	(124.3)
Insurance finance expense (Note 38a))	–	–	(13.6)	(1.9)	(15.5)
Total changes in the consolidated income statement	**174.4**	**14.3**	**(137.9)**	**6.5**	**57.3**
Cash flows					
Premiums received	(186.8)	–	–	–	(186.8)
Insurance acquisition cash flows incurred	22.7	–	–	–	22.7
Claims and other expenses paid	–	–	188.4	–	188.4
Total cash flows	**(164.1)**	**–**	**188.4**	**–**	**24.3**
At 31 January 2025					
Insurance contract liabilities (Note 38a))	**(46.3)**	**(1.8)**	**(235.9)**	**(33.7)**	**(317.7)**

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery component £m	Loss-recovery component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	Total £m
At 1 February 2024					
Reinsurance contract (liabilities)/assets	**(3.1)**	**1.3**	**141.3**	**33.7**	**173.2**
Allocation of reinsurance premiums	(17.1)	–	–	–	(17.1)
Amounts recoverable for incurred claims and other expenses	–	(1.5)	(11.3)	3.7	(9.1)
Changes to amounts recoverable for incurred claims	–	–	(32.5)	(10.8)	(43.3)
Loss-recovery on onerous underlying contracts and adjustments	–	0.2	–	–	0.2
Effect of changes in the risk of non-performance of reinsurance contracts	–	–	2.1	–	2.1
Net expense from reinsurance contracts (Note 38a))	(17.1)	(1.3)	(41.7)	(7.1)	(67.2)
Reinsurance finance income (Note 38a))	–	–	5.7	1.6	7.3
Total changes in the consolidated income statement	**(17.1)**	**(1.3)**	**(36.0)**	**(5.5)**	**(59.9)**
Cash flows					
Premiums paid	10.9	–	–	–	10.9
Amounts received	–	–	(16.4)	–	(16.4)
Total cash flows	**10.9**	**–**	**(16.4)**	**–**	**(5.5)**
At 31 January 2025					
Reinsurance contract (liabilities)/assets (Note 38a))	**(9.3)**	**–**	**88.9**	**28.2**	**107.8**

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Notes to the consolidated financial statements continued

28 Insurance and reinsurance contract liabilities and assets continued

a) Reconciliation of opening and closing balances continued

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component £m	Loss component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	Total £m
At 1 February 2023					
Insurance contract liabilities	**(44.3)**	**(8.4)**	**(259.2)**	**(35.6)**	**(347.5)**
Insurance revenue (Note 38a))	177.6	–	–	–	177.6
Incurred claims and related expenses	–	17.4	(176.0)	(9.7)	(168.3)
Changes to liabilities for incurred claims	–	–	(20.9)	5.5	(15.4)
Insurance acquisition cash flows expensed	(26.0)	–	–	–	(26.0)
Losses on onerous contracts and changes in such losses	–	(25.1)	–	–	(25.1)
Other incurred insurance service expenses	–	–	(14.4)	–	(14.4)
Insurance service expenses (Note 38a))	(26.0)	(7.7)	(211.3)	(4.2)	(249.2)
Insurance finance expense (Note 38a))	–	–	(3.1)	(0.4)	(3.5)
Total changes in the consolidated income statement	**151.6**	**(7.7)**	**(214.4)**	**(4.6)**	**(75.1)**
Cash flows					
Premiums received	(189.9)	–	–	–	(189.9)
Insurance acquisition cash flows incurred	26.0	–	–	–	26.0
Claims and other expenses paid	–	–	187.2	–	187.2
Total cash flows	**(163.9)**	**–**	**187.2**	**–**	**23.3**
At 31 January 2024					
Insurance contract liabilities	**(56.6)**	**(16.1)**	**(286.4)**	**(40.2)**	**(399.3)**

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery component £m	Loss-recovery component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	Total £m
At 1 February 2023					
Reinsurance contract (liabilities)/assets	**(5.5)**	**2.7**	**87.6**	**27.4**	**112.2**
Allocation of reinsurance premiums	(17.0)	–	–	–	(17.0)
Amounts recoverable for incurred claims and other expenses	–	(3.7)	21.5	3.2	21.0
Changes to amounts recoverable for incurred claims	–	–	32.0	2.8	34.8
Loss-recovery on onerous underlying contracts and adjustments	–	2.3	–	–	2.3
Effect of changes in the risk of non-performance of reinsurance contracts	–	–	(0.9)	–	(0.9)
Net (expense)/income from reinsurance contracts (Note 38a))	(17.0)	(1.4)	52.6	6.0	40.2
Reinsurance finance income (Note 38a))	–	–	1.6	0.3	1.9
Total changes in the consolidated income statement	**(17.0)**	**(1.4)**	**54.2**	**6.3**	**42.1**
Cash flows					
Premiums paid	19.4	–	–	–	19.4
Amounts received	–	–	(0.5)	–	(0.5)
Total cash flows	**19.4**	**–**	**(0.5)**	**–**	**18.9**
At 31 January 2024					
Reinsurance contract (liabilities)/assets	**(3.1)**	**1.3**	**141.3**	**33.7**	**173.2**

b) Insurance finance income or expense

The following table provides further detail on insurance finance income or expenses arising from insurance and reinsurance contracts:

	2025			2024		
	Insurance contracts (gross) £m	Reinsurance contracts £m	Net £m	Insurance contracts (gross) £m	Reinsurance contracts £m	Net £m
Unwind of discounting of liabilities for incurred claims	(15.5)	7.9	(7.6)	(8.2)	4.7	(3.5)
Impact of change in the discount rate on liabilities for incurred claims: Non-PPOs	1.3	(0.7)	0.6	2.1	(1.1)	1.0
Impact of change in the discount rate on liabilities for incurred claims: PPOs	8.7	(5.8)	2.9	10.6	(6.4)	4.2
Impact of change in carer wage inflation assumption for PPO liabilities for incurred claims	(10.0)	5.9	(4.1)	(8.0)	4.7	(3.3)
Net finance (expense)/income from insurance and reinsurance contracts	**(15.5)**	**7.3**	**(8.2)**	**(3.5)**	**1.9**	**(1.6)**

Insurance finance income or expenses are conceptually comparable to investment income or expenses arising from financial assets held within the Insurance Underwriting business:

- The expense created by the unwind of discounting of liabilities for incurred claims is conceptually similar to interest income derived from financial assets.
- The impact of the change in the discount rate on liabilities for incurred claims is conceptually similar to fair value gains or losses arising on financial assets, with both significantly impacted by changes in market interest rates.

However, the relevant amounts may differ for the following reasons:

- Insurance finance income or expenses arise solely from liabilities for incurred claims and corresponding reinsurance assets, whereas the financial assets held within the Insurance Underwriting business support the Group's wider insurance liabilities (including liabilities for remaining coverage) and capital requirements. This leads to differences between the value and duration characteristics of those financial assets and those of the liabilities for incurred claims which, in turn, leads to differences between the investment income or expenses arising from those financial assets and insurance finance income or expense.
- Investment income or expenses includes compensation for credit risk associated with the financial assets, with any change in credit risk being reflected in fair value gains or losses on those securities. Credit risk is explicitly excluded from the IFRS 17 discount rate and, therefore, there is no corresponding effect on insurance finance income or expense.

Notes to the consolidated financial statements continued

28 Insurance and reinsurance contract liabilities and assets continued

c) Claims development tables

The following tables show the Group's initial estimate of ultimate gross and net claims incurred in previous financial years and the re-estimation at subsequent financial period ends. In producing these tables, the Group applied an IFRS 17 transition exemption to not disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applied IFRS 17, being the year ended 31 January 2024.

Gross claims development

	Amounts at the end of the financial year ended 31 January					
Gross loss occurring in financial year(s) ending:	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**2025 £m**
31 January 2019 and prior financial years	3,146.5	3,085.3	3,032.3	3,101.7	3,182.8	3,210.5
31 January 2020	203.7	196.9	181.5	174.1	167.5	167.7
31 January 2021		130.9	125.9	117.6	102.2	100.3
31 January 2022			146.8	221.6	279.1	149.8
31 January 2023				222.4	221.9	192.1
31 January 2024					259.2	173.1
31 January 2025						180.6
Cumulative gross payments to date						(3,639.5)
Gross undiscounted liabilities – losses arising from financial years 2020-2025						534.6
Claims handling expenses						8.2
Effect of discounting						(307.0)
Risk adjustment						33.8
Total gross liability for incurred claims						**269.6**

Net claims development

	Amounts at the end of the financial year ended 31 January					
Net loss occurring in financial year(s) ending:	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**2025 £m**
31 January 2019 and prior financial years	2,965.6	2,943.5	2,916.6	2.935.7	2,956.2	2,972.8
31 January 2020	181.7	185.9	175.4	171.7	166.1	166.5
31 January 2021		121.9	114.9	116.8	101.1	99.9
31 January 2022			136.5	170.8	146.0	128.6
31 January 2023				171.3	149.5	132.4
31 January 2024					60.4	139.5
31 January 2025						162.3
Cumulative net payments to date						(3,567.7)
Net undiscounted liabilities – losses arising from financial years 2020-2025						234.3
Claims handling expenses						8.2
Net effect of discounting						(95.7)
Net risk adjustment						5.7
Total net liability for incurred claims						**152.5**

29 Contract liabilities

	2025 £m	2024 £m
Deferred revenue (Note 3b))	**176.8**	**159.8**
	176.8	**159.8**
Current	171.7	156.1
Non-current	5.1	3.7
	176.8	**159.8**

Deferred revenue comprises amounts received within the Travel segment for cruises and holidays with departure dates after the reporting date, and insurance premiums and sales revenues received in the Insurance segment in respect of insurance policies which commence after the reporting date, and represents the performance obligations not yet satisfied at the end of the year.

30 Loans and borrowings

	2025 £m	2024 £m
Bonds	250.0	400.0
Ocean Cruise ship loans	344.8	407.0
Loan facility provided by Roger De Haan	75.0	–
RCF	–	–
Accrued interest and fees payable	5.1	4.8
	674.9	811.8
Less: deferred issue costs	(12.7)	(15.6)
	662.2	**796.2**

Bonds, RCF and the loan facility provided by Roger De Haan

At 31 January 2025, the Group's financing facilities consisted of a £250.0m five-year senior unsecured bond (repayable July 2026), a £50.0m five-year RCF (expiring in March 2026) and an £85.0m loan facility provided by Roger De Haan (repayable April 2026).

i) Bonds

In May 2024, the Group repaid in full its £150.0m 2024 senior unsecured bond.

The 2026 bond is, and the 2024 bond was, listed on the Irish Stock Exchange (Euronext Dublin). The 2026 bond is, and the 2024 bond was, guaranteed by Saga Services Limited and Saga Mid Co Limited (**Mid Co**).

Interest on the 2026 corporate bond is incurred at an annual interest rate of 5.5%. Interest on the 2024 corporate bond was incurred at an annual interest rate of 3.375%.

Accrued interest payable on the Group's bond at 31 January 2025 was £0.6m (2024: £1.6m).

As a result of the Group securing new credit facilities on 30 January 2025 (see overleaf), and drawing down on these on 27 February 2025, the 2026 bond was repaid in full, cancelled and de-listed following the year end.

30 Loans and borrowings continued

Bonds, RCF and the loan facility with Roger De Haan continued

ii) RCF

Interest payable on the Group's RCF, if drawn, is incurred at a variable rate of Sterling Overnight Index Average (**SONIA**) plus a bank margin that is linked to the Group's Leverage Ratio[19].

During the year to 31 January 2024, the Group announced that it had reached agreement with its banks to amend the covenants on its RCF. The covenants within the Group's RCF were amended as follows:

- Increase in the Leverage Ratio[19] (excluding Cruise debt) covenant for 31 January 2024 from 5.5x to 6.25x.

In March 2024, the Group concluded discussions with the lenders associated with the RCF to increase the Group's financial flexibility. As a result, the following amendments were agreed, in addition to smaller, immaterial changes:

- Increase to the Leverage Ratio[19] for all remaining testing periods to 6.25x.
- Quarterly covenant testing, irrespective of whether the loan is drawn.
- The introduction of a restriction whereby, post repayment of the 2024 bond, no utilisation of the facility is permitted if free liquidity is below £40.0m.
- Consent requirement for any early repayment of corporate debt or payment of shareholder dividends.

In September 2024, the Group concluded further discussions with the lenders associated with the RCF to further increase the Group's financial flexibility. As a result, the following amendments were agreed, in addition to other smaller changes:

- Extension of the expiry date of the facility from 31 May 2025 to 31 March 2026.
- Leverage Ratio[19] test for all remaining testing periods reduced to 6.0x, based on a revised definition of the calculation, which is now performed on a Group basis inclusive of amounts relating to the Ocean Cruise business.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of a 20-year partnership for motor and home insurance with Ageas (Note 38a)).

In December 2024, the Group drew down £20.0m of its RCF. This amount was repaid in January 2025.

At 31 January 2025, the Group's £50.0m RCF was undrawn. Accrued fees payable on the Group's RCF at 31 January 2025 were £0.3m (2024: £0.2m).

At 31 January 2025, the RCF was subject to covenants that are measured quarterly in April, July, October and January, being Net Debt[19] to Adjusted Trading EBITDA[19] of a maximum of 6.0x and interest cover of a minimum of 3.0x, based on measures as defined in the facility agreement, which are adjusted from the equivalent IFRS amounts. The ratio of Net Debt[19] to Adjusted Trading EBITDA[19] at 31 January 2025 was 4.7x (2024: 5.4x) and interest cover was 4.3x (3.9x). The Group complied with the financial covenants of its borrowing facilities during the current and prior years.

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the RCF was cancelled in full following the year end.

iii) Loan facility provided by Roger De Haan

In April 2023, the Group entered into a forward starting loan facility provided by Roger De Haan, commencing on 1 January 2024, under which the Group could draw down up to £50.0m with 30 days' notice to support liquidity needs and specifically the repayment of £150.0m bonds maturing in May 2024. The facility was provided on an arm's-length basis and was guaranteed by Saga, Mid Co Limited and Saga Services Limited. Per the original terms of agreement, interest accrued on the drawn total of the facility at a rate of 10% and was payable on the last day of the period of the loan. The facility was originally due to mature on 30 June 2025, at which point any outstanding amounts, including interest, were due to be repaid. The facility was subject to a 2% arrangement fee, payable on entering the arrangement. A drawdown fee of 2% on any amount drawn down under the facility was payable on the drawing date; and milestone fees of 2% on any uncancelled amount of the facility became payable on 31 March 2024 and 31 December 2024 respectively.

In September 2023, the Group agreed an increase and extension to the existing loan facility provided by Roger De Haan. The increase was for the value of £35.0m, taking the total facility to £85.0m, and the facility was extended to expire on 31 December 2025, previously 30 June 2025. The interest rate paid on funds on the drawn total under this facility to finance the repayment of notes issued by Saga, or to provide cash collateral demanded by providers of bonding facilities to the Group, remained at 10%, but increased to 18% for any amounts drawn to support general corporate purposes. In addition, the previous arrangement and milestone fees of 2% remained payable; however, the drawdown fee of 2% increased to 5% for drawdowns for general corporate purposes. The amended facility was provided on the basis of certain conditions being met, including:

- no professional advisers were to be appointed to or retained by Saga without prior approval of the Board; and
- no incremental financial indebtedness, over and above the facilities already in place, was to be incurred by Group companies, including contracts classed as finance lease arrangements under previous IFRS.

In April 2024, a reduction of the notice period required for drawdown of the loan, to 10 business days, was agreed, in addition to a further extension to the termination date of the facility, from 31 December 2025 to 30 April 2026.

In May 2024, the Group drew down £75.0m of the loan facility provided by Roger De Haan.

In September 2024, an increase to the maximum number of permitted facility utilisation requests was also agreed, from three to 10.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of a 20-year partnership for motor and home insurance with Ageas (Note 38a)).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility provided by Roger De Haan. Accrued interest payable on the loan facility provided by Roger De Haan at 31 January 2025 was £1.8m (2024: £nil).

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the loan facility provided by Roger De Haan was repaid and cancelled in full following the year end.

19 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

iv) Refinancing of corporate debt

On 30 January 2025, the Group announced that it had secured new credit facilities to refinance its corporate debt in full. The new facilities, agreed by Mid Co, and provided by certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries, comprise:

- a £335.0m term loan facility that was to be drawn to:
  - repay the £250.0m senior unsecured bond, maturing July 2026;
  - repay the £75.0m drawings under the £85.0m loan facility provided by Roger De Haan, maturing April 2026; and
  - partially fund transaction costs;
- a £100.0m delayed-draw term loan facility that is available for three years and may be drawn for certain purposes, including the repayment of amortisation within the Ocean Cruise ship debt facilities, mergers and acquisitions, and capital investment; and
- a £50.0m RCF.

The term loan and delayed-draw term loan facilities will mature in January 2031 and are subject to a margin ratchet based on Group net Leverage Ratio[20] (ranging from 625bps to 700bps), priced with an initial margin of 675bps over SONIA, which will reduce as the Group de-levers. The initial blended pro forma interest rate will be around 7.6% in combination with the Ocean Cruise ship debt facilities, which will be retained on existing terms.

Under the new credit facilities:

- the term loan and delayed-draw term loan facilities are subject to a covenant test that is measured quarterly in April, July, October and January, being Net Debt[20] to Adjusted Trading EBITDA[20] of a maximum of 8.0x, based on measures as defined in the facilities agreements, adjusted from the equivalent IFRS amounts; and
- the RCF is also subject to a covenant, tested quarterly in April, July, October and January, being Net Debt[20] to Adjusted Trading EBITDA[20] of a maximum of 8.8x, based on measures as defined in the facility agreement, adjusted from the equivalent IFRS amounts.

Closing of the new credit facilities was subject to customary conditions and took place on 27 February 2025, together with the repurchase, repayment and cancellation of the £250.0m senior unsecured notes, the £85.0m loan facility provided by Roger De Haan, and the existing £50.0m RCF (see above).

Ocean Cruise ship loans

In June 2019, the Group drew down £245.0m of financing for its Ocean Cruise ship, Spirit of Discovery. The financing represents a 12-year fixed-rate sterling loan, secured against the Spirit of Discovery cruise ship asset, and backed by an export credit guarantee. The initial loan was repayable in 24 broadly equal instalments, with the first payment of £10.2m paid in December 2019.

The Board announced on 22 June 2020 that it had secured a debt holiday and covenant waiver for the Group's Ocean Cruise ship facilities. The Group's lenders agreed to a deferral of £32.1m in principal payments under the ship facilities that were due up to 31 March 2021. These deferred amounts were to be paid between June 2021 and December 2024 for Spirit of Discovery and between September 2021 and March 2025 for Spirit of Adventure, and interest remained payable.

On 29 September 2020, the Group drew down £280.8m of financing for its Ocean Cruise ship, Spirit of Adventure. The financing, secured against the Spirit of Adventure cruise ship asset, represents a 12-year fixed-rate sterling loan, backed by an export credit guarantee. The loan is repayable in 24 broadly equal instalments, with the first payment originally due six months after delivery in March 2021, but initially deferred to September 2021 as a result of the debt holiday described above.

In March 2021, the Group reached agreement of a one-year extension to the debt deferral on its Ocean Cruise ship facilities. As part of an industry-wide package of measures to support the cruise industry, an extension of the existing debt deferral was agreed to 31 March 2022. The key terms of this deferral were:

- all principal payments to 31 March 2022 (£51.8m) deferred and repaid over five years;
- all financial covenants until 31 March 2022 waived; and
- dividends remain restricted while the deferred principal is outstanding.

During the year to 31 January 2024, the Group concluded discussions with its Cruise lenders in respect of the covenant restrictions attaching to its two ship debt facilities. Lenders agreed to a waiver of the EBITDA to debt repayment covenant ratio for the 31 July 2023 testing date. In addition, lenders agreed to amend the covenants on the two ship debt facilities to reduce the EBITDA to debt repayment ratio from 1.2x to 1.0x for the additional periods up to, and including, 31 January 2025.

Interest on the Spirit of Discovery ship loan is incurred at an effective annual interest rate of 4.31% (including arrangement and commitment fees). Interest on the Spirit of Adventure ship loan is incurred at an effective annual interest rate of 3.30% (including arrangement and commitment fees). Interest payable on the Group's Ocean Cruise ship debt deferrals is incurred at a variable rate of SONIA plus a bank margin.

During the year to 31 January 2025, Ocean Cruise ship loan repayments of £62.2m (2024: £62.2m) were made by the Group. Accrued interest payable on the Group's Ocean Cruise ship loans at 31 January 2025 is £2.4m (2024: £3.0m).

At 31 January 2025, the Ocean Cruise ship debt facilities were subject to covenants that are measured six-monthly in July and January, being a debt service cover ratio and an interest cover ratio, based on measures as defined in the debt facility agreements, which are adjusted from the equivalent IFRS amounts. The debt service ratio, at 31 January 2025, was 1.4x (2024: 1.0x), in excess of the 1.0x covenant under the ship debt facilities at the same date. The interest cover ratio, at 31 January 2025, was 7.9x (2024: 5.4x), in excess of the 2.0x covenant under the ship debt facilities at the same date.

Total debt and finance costs

At 31 January 2025, debt issue costs were £12.7m (2024: £15.6m). The movement in the year of £2.9m represents an increase of £1.5m following the drawdown of the loan facility provided by Roger De Haan, offset by £4.4m expense amortisation for the year.

During the year, the Group charged £42.2m (2024: £40.2m) to the income statement in respect of fees and interest associated with the bonds, RCF, the loan facility provided by Roger De Haan and Ocean Cruise ship loans. In addition, finance costs recognised in the income statement include £2.1m (2024: £1.9m) relating to interest and finance charges on lease liabilities, £2.3m (2024: £0.5m) relating to net finance expense on pension schemes, £3.6m (2024: £0.4m) in respect of arrangement, drawdown and milestone fees associated with the loan facility provided by Roger De Haan, as disclosed above, and net fair value losses on derivatives of £0.3m (2024: £1.4m).

20 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Notes to the consolidated financial statements continued

31 Provisions

	Restructuring £m	Onerous contract £m	Other £m	Total £m
At 1 February 2023	–	–	5.2	5.2
Charge for the year	–	7.3	14.2	21.5
Utilised during the year	–	(4.2)	(13.1)	(17.3)
Released unutilised during the year	–	–	(1.4)	(1.4)
At 31 January 2024	**–**	**3.1**	**4.9**	**8.0**
Charge for the year	16.5	1.3	17.3	35.1
Utilised during the year	–	(3.1)	(18.3)	(21.4)
Reclassification to assets held for sale (Note 38a))	–	–	–	–
At 31 January 2025	**16.5**	**1.3**	**3.9**	**21.7**

	Restructuring £m	Onerous contract £m	Other £m	Total £m
Current	10.9	1.3	3.6	15.8
Non-current	5.6	–	0.3	5.9
At 31 January 2025	**16.5**	**1.3**	**3.9**	**21.7**

	Restructuring £m	Onerous contract £m	Other £m	Total £m
Current	–	3.1	4.7	7.8
Non-current	–	–	0.2	0.2
At 31 January 2024	**–**	**3.1**	**4.9**	**8.0**

As detailed in Note 38a), in December 2024 the Group announced it had entered into a binding agreement with Ageas, to establish a 20-year partnership for motor and home insurance. As a result of this announcement, at the year end, a provision of £16.5m was made to cover the expected direct costs associated with the restructuring programme of the Group's Insurance Broking operations, in readiness for the partnership becoming operational (targeted to be in the last quarter of 2025). Estimated restructuring expenditure primarily includes staff-related, legal, consultancy and other change costs directly associated with the cessation of the existing operating model for Insurance Broking and are based on a detailed restructuring plan developed by management. The restructuring is expected to be completed by January 2027.

The onerous contract provision relates to the Group's three-year fixed-price product guarantee in respect of motor insurance policies.

Other provisions primarily comprise:

- provisions for the return of insurance commission in respect of policies cancelled mid-term after the reporting date or as a result of being cancelled during the statutory cooling-off period after the reporting date;
- potential payments to underwriters in relation to policies cancelled as a result of a fault claim;
- customer remediation relating to areas where there is likely to be a requirement to remedy various errors that have had an adverse impact on customer outcomes; and
- an employer liability provision relating to various Group-related, self-funded insurance arrangements.

Other provisions are expected to be fully utilised over a period less than the next 12 months with the exception of the employer liability provision. The settlement cash outflows from the employer liability provision depend on the timing of the settlement of claims.

These items are reviewed and updated annually.

32 Reconciliation of liabilities arising from financing activities

The following tables analyse the cash and non-cash movements for liabilities arising from financing activities:

			Non-cash changes		
	2024 £m	Financing cash flows £m	New leases (Note 18) £m	Other £m	2025 £m
Lease liabilities (Note 37)	26.3	(7.3)	8.0	(0.9)	**26.1**
Ocean Cruise ship loans (Note 30)	407.0	(62.2)	–	–	**344.8**
Loan facility provided by Roger De Haan (Note 30)	–	75.0	–	–	**75.0**
Bonds (Note 30)	400.0	(150.0)	–	–	**250.0**
RCF (Note 30)	–	–	–	–	**–**
Deferred issue costs (Note 30)	(15.6)	–	–	2.9	**(12.7)**

			Non-cash changes		
	2023 £m	Financing cash flows £m	New leases (Note 18) £m	Other £m	2024 £m
Lease liabilities (Note 37)	32.6	(11.6)	5.9	(0.6)	26.3
Ocean Cruise ship loans (Note 30)	469.2	(62.2)	–	–	407.0
Bonds (Note 30)	400.0	–	–	–	400.0
Deferred issue costs (Note 30)	(20.1)	–	–	4.5	(15.6)

Included within 'Other' for lease liabilities are amounts relating to foreign exchange movements of £0.6m debit (2024: £0.6m debit) and lease re-assessments of £0.3m (2024: £nil) (Note 18).

Included within 'Other' for deferred issue costs is the amortisation of costs of £4.4m (2024: £4.5m), offset by an increase of £1.5m (2024: £nil) following the drawdown of the loan facility provided by Roger De Haan (Note 30).

Accrued interest payable on the Ocean Cruise ship loans, loan facility provided by Roger De Haan and bonds above is disclosed in Note 30. Interest and debt issue costs paid during the year are included within operating activities in the consolidated statement of cash flows.

33 Called up share capital

	Ordinary shares		
	Number	Nominal value £	Value £m
Allotted, called up and fully paid			
At 1 February 2023	140,337,271	0.15	21.1
Issue of shares – 1 August 2023	1,458,551	0.15	0.2
At 31 January 2024	**141,795,822**	**0.15**	**21.3**
Issue of shares – 3 May 2024	1,565,919	0.15	0.2
At 31 January 2025	**143,361,741**	**0.15**	**21.5**

On 1 August 2023, Saga plc issued 1,458,551 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

On 3 May 2024, Saga plc issued 1,565,919 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

34 Reserves

Share-based payment reserve

Prior to vesting, the share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. More detail is provided in Note 36.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Own shares held reserve

The own shares reserve represents the cost of shares in the Company held by the Group's EBT to satisfy options under the Group's share option plans (see Note 36). The number of ordinary shares held by the EBT at 31 January 2025 was 0.9m (2024: 0.8m).

Notes to the consolidated financial statements continued

35 Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital comprises total equity of £57.7m (2024: £223.5m) as shown on the consolidated statement of financial position. The Group operates in a number of regulated markets and includes subsidiaries which are required to comply with specific requirements in respect of capital or other resources.

The Group's financial services businesses are regulated primarily by the Financial Services Commission (**FSC**) in Gibraltar and by the FCA in the UK; and the cash requirements of its River Cruise and Holidays businesses are regulated by the CAA in the UK. It is the Group's policy to comply with the requirements of these regulators in respect of capital adequacy, or other similar tests, at all times.

The Group's regulated Insurance Underwriting business is based in Gibraltar, and regulated by the FSC, and is required to ensure that it has a sufficient level of capitalisation in accordance with Solvency 2 Technical Standards (effective 31 December 2024). Prior to 31 December 2024, the Group's Insurance Underwriting business was required to have a sufficient level of capitalisation in accordance with Solvency II.

The Group, and its subsidiaries, have complied with externally imposed capital requirements during the year. The amounts set out in the following three paragraphs are provisional and unaudited.

The Group monitored its ability to comply with the requirements of Solvency II and Solvency 2 throughout the year to 31 January 2025, having previously received approval from the FSC for the Undertaking of Specific Parameters when applying the standard formula to measure capital requirements for this business under Solvency II and Solvency 2 rules. Under Solvency 2, AICL remained well capitalised and, at 31 January 2025, available capital was £95.4m (unaudited) against a Solvency Capital Requirement of £44.7m (unaudited), giving 213% (unaudited) coverage. At 31 January 2024, under Solvency II, available capital was £83.4m (unaudited) against a Solvency Capital Requirement of £54.0m (unaudited), giving 154% (unaudited) coverage.

The Group's regulated Insurance Broking business is based in the UK and regulated by the FCA. Due to the nature of the business, the capital requirements are significantly less than for the Insurance Underwriting business, but the Group is required to comply with the Adequate Resources requirements of Threshold Condition 2.4 of the FCA Handbook. The Group undertakes a rigorous assessment against the requirements of this Condition on an annual basis and, as a consequence, calculates and holds an appropriate amount of capital in respect of the Insurance Broking business. The Minimum Regulatory Capital requirement of this business at 31 January 2025 was £3.0m (2024: £4.4m).

The regulated River Cruise and Holidays businesses are required to comply with a main test based on liquidity. The CAA liquidity test is a requirement to hold at least 70% of advanced customer receipts in cash on the last day of each month. The Group monitors its compliance with this test on a monthly basis, including forward-looking compliance using budgets and forecasts. At 31 January 2025 and 31 January 2024, the businesses had sufficient coverage against this covenant.

From time to time, the Group purchases its own shares on the market; the timing of these purchases depends on market prices. The shares are primarily intended to be used for issuing shares under the Group's share option programmes. Buy and sell decisions are made on a specific transaction basis; the Group does not have a defined share buy-back plan.

36 Share-based payments

The Group has granted a number of different equity-based awards to employees and customers that it has determined to be share-based payments:

a) Share options and Free Shares offer granted at the time of the Initial Public Offering (IPO)

- On 29 May 2014, nil cost options over 13,132,410 shares were granted to certain Directors and employees with no exercise price and no service or performance vesting conditions. There were no cash settlement alternatives.
- Eligible customers and employees who acquired their shares under the Customer or Employee Offers in the Prospectus received one bonus share for every 20 shares they acquired and held continuously for one year to 29 May 2015. As these were bonus shares, there was no exercise price and no cash settlement alternative.

b) Saga Transformation Plan (STP)

- In July 2022, the Board and shareholders approved the issue of an additional new award called the STP. The STP has a five-year vesting period and participants receive a 12.5% share in shareholder value (share price plus dividends) created above a £6 per share hurdle over a five-year performance period commencing from the grant date, subject to continuing employment. For Directors and senior leaders, the STP will be equity-settled. For other employees, the STP will be settled in cash. There is a cap of £88.0m on the value of awards that may vest, and the awards have a range of grant dates based on the tranche that each participant falls into.
- On 5 July 2022, nil cost options were issued under the STP to certain Directors and other senior employees which vest and become exercisable on the fifth anniversary of the grant date, subject to continuing employment.

c) RSP

- The RSP is a discretionary executive share plan under which the Board may grant options over shares in Saga plc.
- On 8 July 2024, nil cost options over 2,386,409 shares were issued under the RSP to certain Directors and other senior employees that vest and become exercisable on the third anniversary of the grant date, subject to continuing employment. There were no cash settlement alternatives.

d) Long-term Incentive Plan (LTIP)

- The LTIP is a legacy discretionary executive share plan, under which the Board may, within certain limits and subject to applicable performance conditions, grant options over shares in Saga plc. There are no cash settlement alternatives.
- Up to 31 January 2017, these options were 50% linked to a non-market vesting condition, earnings per share, and 50% linked to a market vesting condition, total shareholder return (**TSR**).
- From 1 February 2017 to 31 January 2018, these options were 60% linked to non-market vesting conditions (30% linked to basic earnings per share and 30% linked to organic earnings per share) and 40% linked to a market vesting condition, TSR.
- From 1 February 2018, these options were 60% linked to non-market vesting conditions (30% linked to organic earnings per share and 30% linked to return on capital employed (**ROCE**)) and 40% linked to a market vesting condition, TSR.
- From 1 February 2019, these options were 75% linked to non-market vesting conditions (50% linked to operational and strategic measures and 25% linked to ROCE) and 25% linked to a market vesting condition, TSR.

e) DBP

- On 28 May 2024, nil cost options over 663,426 shares were issued under the DBP to Executive Directors, reflecting their deferred bonus in respect of 2023/24, which vest and become exercisable on the third anniversary of the grant date. Under the DBP, executives receive a maximum of two-thirds of the bonus award in cash and a minimum of one-third in the form of rights to shares of the Company. There were no cash settlement alternatives.

f) Employee Free Shares

- On 11 June 2024, 550,672 shares were awarded to eligible employees on the 10th anniversary of the IPO and allocated at nil cost; these shares become beneficially owned over a three-year period from allocation, subject to continuing service. There were no cash settlement alternatives.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid, or payable, by the recipient on receipt of the option. The options carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. With the exception of share options granted at the time of the IPO, if an employee ceases to be employed by the Group, the option rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

The table below summarises the movements in the number of share options outstanding for the Group and their weighted average exercise price:

	IPO options	RSP	LTIP	DBP	STP	Employee Free Shares	Total
At 1 February 2024	2,374	4,293,466	32,385	937,680	–	877,099	6,143,004
Granted	–	2,386,409	–	663,426	–	550,672	3,600,507
Forfeited	–	(381,133)	–	–	–	(115,406)	(496,539)
Exercised	(2,374)	(655,725)	(22,882)	(256,140)	–	(80,575)	(1,017,696)
At 31 January 2025	**–**	**5,643,017**	**9,503**	**1,344,966**	**–**	**1,231,790**	**8,229,276**
Exercise price	£nil	£nil	£nil	£nil	£nil	£nil	£nil
Exercisable at 31 January 2025	–	259,553	9,503	–	–	313,966	583,022
Average remaining contractual life	–	1.5 years	–	1.6 years	2.4 years	1.5 years	1.5 years
Average fair value at grant	£27.75	£1.49	£8.75	£1.51	n/a	£2.46	£1.65

The average fair values at grant date were restated to reflect the impact of the share consolidation on 13 October 2020.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 January 2025 was £1.11 (2024: £1.33).

Notes to the consolidated financial statements continued

36 Share-based payments continued

f) Employee Free Shares continued

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share-based remuneration schemes operated by the Group.

	RSP	DBP
Expected life of share option	3 years	3 years
Weighted average share price	£1.11	£1.31

At 31 January 2025, the Group did not hold any liability in relation to cash-settled share-based remuneration that had vested by the end of the year.

As only limited historical data for the Group's share price is available, the Group estimated the Company's share price volatility as an average of the volatilities of its TSR comparator group over a historical period commensurate with the expected life of the award immediately prior to the date of the grant for awards under the RSP, DBP and Employee Free Share scheme.

For awards under the STP scheme, approved in July 2022, a volatility assumption of 31% was employed, calculated based on volatility in Saga plc's historical share price in the five years to 31 December 2019. This time period was selected to strip out the impact of the COVID-19 pandemic, which had a significant impact on Saga since the beginning of 2020. The impacts on the share price of profit warnings in December 2019 and April 2019 were also excluded from the calculation.

The Group charged £4.2m (2024: £3.4m) during the year to the income statement in respect of equity-settled share-based payment transactions. This was charged to administrative and selling expenses.

The Group did not enter into any share-based payment transactions with parties other than employees during the current period.

37 Commitments and contingencies

a) Lease commitments

The Group leases various River Cruise ships, offices, warehouses, equipment and vehicles. The contract lengths of the leases vary considerably and may include extension or termination options. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option are included in the measurement of the lease liability. Future minimum lease payments under lease contracts, together with the present values of the net minimum lease payments, are as follows:

	2025 £m	2024 £m
Within one year	6.7	6.9
Between one and five years	19.9	16.5
After five years	4.2	7.6
Total minimum lease payments	30.8	31.0
Less amounts representing finance charges	(4.7)	(4.7)
Present value of minimum lease payments	**26.1**	**26.3**

At 31 January 2025, the value of lease liabilities contracted for, but not provided for, in the financial statements in respect of right-of-use assets amounted to £22.5m (2024: £22.3m). For the current year, these commitments relate to the River Cruise vessels, Spirit of the Moselle and Spirit of the Main. The lease commitments in the prior year related to the River Cruise vessels, Spirit of the Douro and Spirit of the Moselle, and an office building.

b) Commitments

At 31 January 2025, the capital amount contracted for, but not provided for, in the financial statements in respect of property, plant and equipment amounted to £nil (2024: £nil).

c) Contingent liabilities

The Travel businesses are each members of ABTA, a trade body which provides customers with financial protection when booking their holiday, if there is no flight component. Under this membership, the Group is required to provide bonds for this purpose, and at 31 January 2025, the Group had £59.0m (2024: £46.9m) of bonds in place.

38 Discontinued operations and assets held for sale

a) Discontinued operations

On 11 October 2024, the Group announced its decision to divest itself of the underwriting and claims handling sections of its Insurance business.

On 16 December 2024, the Group announced it had entered into a binding agreement with Ageas, to establish the Affinity Partnership.

In addition, the Group announced that Ageas will acquire its Insurance Underwriting business, AICL. Pursuant to a share purchase agreement (**SPA**), Ageas (UK) Limited (**Ageas UK**) will acquire AICL for a base consideration of £65.0m (subject to adjustments) payable at completion of the sale of AICL, and an additional consideration of £2.5m payable following the commencement of the Affinity Partnership and therefore the sale of new policies and the renewal of existing ones, targeted to be in the last quarter of 2025. On 16 December 2024, Saga, Mid Co, Saga Leisure Limited and Ageas UK entered into the SPA, following which, Mid Co agreed to sell to Ageas UK, and Ageas UK agreed to purchase, the entire issued share capital of AICL.

At 31 January 2025, the requirements of IFRS 5 were met and accordingly AICL has been classified as a disposal group held for sale in the statement of financial position and as discontinued operations in the income statement. The sale of AICL is subject to the satisfaction of certain conditions, including receipt of regulatory approvals. Completion is expected to be in the second quarter of 2025.

The profit/(loss) before tax in the income statement in respect of discontinued operations comprises:

	2025 £m	2024 £m
Profit/(loss) before tax	22.7	(5.2)
Costs of disposal incurred to date	(3.6)	–
	19.1	**(5.2)**

The profit/(loss) after tax in the income statement in respect of discontinued operations comprises:

	2025 £m	2024 £m
Profit/(loss) after tax	16.5	(5.0)
Costs of disposal incurred to date, net of tax	(2.7)	–
	13.8	**(5.0)**

The impact of the discontinued operations on the reported loss per share is as follows:

	2025	2024
Basic and diluted earnings/(loss) per share from discontinued operations	**9.8p**	**(3.6p)**

'Disposal group eliminations and adjustments' referred to in the tables below comprise the following:

- The Group adopted IFRS 17 for the first time in the year ended 31 January 2024. IFRS 17 applies to all insurance and reinsurance contracts, covering the principles of recognition, measurement, presentation and disclosure. IFRS 17 only applies to insurance contracts that are underwritten by the Group and related reinsurance contracts held. It does not affect the accounting for the Group's Insurance Broking activities. As AICL, the Group's Insurance Underwriting business, has been classified as part of the disposal group held for sale in the statement of financial position and as discontinued operations in the income statement, all IFRS 17 related consolidation entries have also been classified as such accordingly.
- The written to earned adjustment is required on consolidation of the Insurance Broking and AICL's results, to ensure that consistent accounting policies are applied to the full customer insurance premium for insurance policies that are sold and underwritten by the Group. For insurance policies that are also underwritten by AICL, the adjustment effectively spreads the broker revenue that is recognised up front by the Insurance Broking business, and the associated directly attributable acquisition costs, over the life of the policy on a straight-line 365th basis so that, in total, from a Group perspective, a liability for remaining coverage and deferred acquisition cost debtor are established correctly. Upon consolidation, the Insurance Broking business and AICL act as an insurer and are, therefore, governed by IFRS 17 and fall outside the scope of IFRS 15. The written to earned adjustment has been classified as a discontinued operation as, following the expected disposal of AICL, all insurance policies that were previously underwritten by the Group, where revenue was recognised on a straight-line time apportioned basis over the coverage period, will become aligned to the Group's existing accounting policy for insurance policies not underwritten by the Group, and recognised up front instead.
- Intra-disposal group revenue and cost of sales were eliminated on consolidation.
- Inter-group transactions with the disposal group were eliminated on consolidation.

Notes to the consolidated financial statements continued

38 Discontinued operations and assets held for sale continued

a) Discontinued operations continued

i) Results of the disposal group for the year

	Notes	Disposal group £m	Disposal group eliminations and adjustments £m	2025 £m
Revenue from Insurance Broking services		21.1	(29.5)	(8.4)
Other revenue (non-Insurance Underwriting)		8.1	(0.1)	8.0
Non-insurance revenue		29.2	(29.6)	(0.4)
Insurance revenue	28	186.4	10.7	197.1
Total revenue		**215.6**	**(18.9)**	**196.7**
Cost of sales (non-Insurance Underwriting)		**(19.5)**	**17.1**	**(2.4)**
Gross profit/(loss) (non-Insurance Underwriting)		**9.7**	**(12.5)**	**(2.8)**
Insurance service expenses	28	(101.5)	(22.8)	(124.3)
Net expense from reinsurance contracts	28	(66.5)	(0.7)	(67.2)
Insurance service result		**18.4**	**(12.8)**	**5.6**
Administrative and selling expenses		(2.1)	23.1	21.0
Impairment of non-financial assets		(4.1)	–	(4.1)
Net finance expense from insurance contracts	28	(15.5)	–	(15.5)
Net finance income from reinsurance contracts	28	7.3	–	7.3
Investment income		14.5	(3.3)	11.2
Profit/(loss) before tax		**28.2**	**(5.5)**	**22.7**
Tax (expense)/credit		(7.1)	0.9	(6.2)
Profit/(loss) from discontinued operations attributable to equity holders of the parent		**21.1**	**(4.6)**	**16.5**

	Disposal group £m	Disposal group eliminations and adjustments £m	2025 £m
Reconciliation to Underlying Profit/(Loss) Before Tax[21]			
Profit/(loss) before tax	28.2	(5.5)	22.7
Fair value gains on debt securities	(5.1)	–	(5.1)
Changes in underwriting discount rates on non-PPO liabilities	(0.6)	–	(0.6)
Onerous contract provision	(17.1)	4.1	(13.0)
Impairment of assets	6.3	–	6.3
Restructuring costs	0.3	–	0.3
Underlying Profit/(Loss) Before Tax[21]	**12.0**	**(1.4)**	**10.6**

21 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

	Notes	Disposal group £m	Disposal group eliminations and adjustments £m	2024 £m
Revenue from Insurance Broking services		23.0	(28.9)	(5.9)
Other revenue (non-Insurance Underwriting)		4.9	(0.1)	4.8
Non-insurance revenue		27.9	(29.0)	(1.1)
Insurance revenue	28	164.1	13.5	177.6
Total revenue		**192.0**	**(15.5)**	**176.5**
Cost of sales (non-Insurance Underwriting)		**(20.6)**	**21.5**	**0.9**
Gross profit/(loss) (non-Insurance Underwriting)		**7.3**	**(7.5)**	**(0.2)**
Insurance service expenses	28	(227.4)	(21.8)	(249.2)
Net income from reinsurance contracts	28	40.1	0.1	40.2
Insurance service result		**(23.2)**	**(8.2)**	**(31.4)**
Administrative and selling expenses		(2.6)	27.1	24.5
Impairment of non-financial assets		(5.3)	–	(5.3)
Net finance expense from insurance contracts	28	(3.5)	–	(3.5)
Net finance income from reinsurance contracts	28	1.9	–	1.9
Investment income/(expense)		12.1	(3.3)	8.8
Loss/(profit) before tax		**(13.3)**	**8.1**	**(5.2)**
Tax credit/(expense)		2.2	(2.0)	0.2
(Loss)/profit from discontinued operations attributable to equity holders of the parent		**(11.1)**	**6.1**	**(5.0)**

	Disposal group £m	Disposal group eliminations and adjustments £m	2024 £m
Reconciliation to Underlying (Loss)/Profit Before Tax[22]			
(Loss)/profit before tax	**(13.3)**	**8.1**	**(5.2)**
Fair value gains on debt securities	(3.5)	–	(3.5)
Changes in underwriting discount rates on non-PPO liabilities	(1.0)	–	(1.0)
Onerous contract provision	11.7	(2.6)	9.1
Impairment of assets	3.1	–	3.1
Restructuring costs	1.4	–	1.4
Underlying (Loss)/Profit Before Tax[22]	**(1.6)**	**5.5**	**3.9**

22 Refer to the Alternative Performance Measures Glossary on pages 183-185 for definition and explanation

Notes to the consolidated financial statements continued

38 Discontinued operations and assets held for sale continued

a) Discontinued operations continued

ii) Assets and liabilities of the disposal group

The assets and liabilities of the disposal group classified as held for sale at 31 January 2025 were as follows:

	Notes	**Disposal group £**	**Disposal group eliminations and adjustments £**	**Book value £m**
Assets				
Intangible assets	15	–	–	–
Financial assets	19a)	241.6	–	241.6
Deferred tax assets	10	7.8	3.0	10.8
Reinsurance contract assets	28	108.5	(0.7)	107.8
Trade and other receivables		69.0	(15.9)	53.1
Cash and short-term deposits	25	12.6	–	12.6
Total assets classified as held for sale		**439.5**	**(13.6)**	**425.9**
Liabilities				
Insurance contract liabilities	28	324.8	(7.1)	317.7
Provisions	31	0.1	(0.1)	–
Financial liabilities	19b)	1.4	–	1.4
Deferred tax liabilities	10	11.2	–	11.2
Contract liabilities	29	1.2	(1.7)	(0.5)
Trade and other payables		17.1	–	17.1
Total liabilities classified as held for sale		**355.8**	**(8.9)**	**346.9**
Net assets/(liabilities) classified as held for sale and directly associated with disposal group		**83.7**	**(4.7)**	**79.0**

Under IFRS 5, a disposal group held for sale must be measured at the lower of the carrying amount and fair value less costs to sell. Having compared the current carrying value of the disposal group against the estimated fair value of expected sale proceeds, management identified an impairment loss of £6.9m to the carrying value of the disposal group's net assets as at 31 January 2025.

The fair value of the disposal group was determined by considering the SPA (see above), under which Ageas UK will acquire AICL for a base consideration of £65.0m (subject to adjustments) payable at completion of the sale of AICL, and an additional consideration of £2.5m payable following the commencement of the Affinity Partnership. The adjustments made to the base consideration include settlement of a Section 75 debt in relation to AICL's share of the pension scheme's liabilities of c.£4.4m, a property asset value adjustment in respect of its Solvency II value, and a net asset value adjustment reflecting an estimate of the excess or shortfall of AICL's Solvency II net asset valuation at completion. Control over property assets, currently owned by AICL, will transfer to a subsidiary of Saga plc through the contractual arrangements contained within the SPA at the point of sale. These property assets are not, therefore, reflected in the disposal group statement of financial position above.

Paragraph 23 of IFRS 5 requires an impairment loss on a disposal group to be allocated to non-current assets within the scope of the standard, limited to the carrying value of those assets. Since there are no non-current assets within the scope of IFRS 5, for which the impairment identified by management can be allocated against, the impairment loss will be recognised at the time of disposal.

iii) Net cash flows of the disposal group

The net cash flows of the disposal group during the year were as follows:

	2025 £m	2024 £m
Operating	14.9	(16.8)
Investing	45.0	43.5
Financing	(19.1)	(14.0)
Net cash inflow	**40.8**	**12.7**

b) Property assets held for sale

At the end of the year ended 31 January 2021, the Group made the decision to initiate an active programme to locate buyers for a number of its freehold properties and one of its long leasehold properties. At the point of reclassification to held for sale, the carrying values were considered to be equal to, or below, fair value less costs to sell, and hence no revaluation at the point of reclassification was required.

At the end of the year ended 31 January 2023, the Group made the decision to initiate an active programme to locate buyers for a further two of its freehold properties. The Group also reclassified to held for sale the related fixtures and fittings associated with one of these freehold properties.

At 31 January 2023, the carrying values of the properties classified as held for sale, totalling £31.2m, were representative of either each property's fair value or historic cost less accumulated depreciation and any impairment charges to date, whichever was lower.

During the year ended 31 January 2024, the Group declassified one of the properties held for sale at 31 January 2023, to property, plant and equipment, since it was no longer being actively marketed for disposal. The carrying value of this property at 31 January 2023 was £3.4m. Other than this one property, there were no changes to the Group's intention to sell any of the properties classified as held for sale at 31 January 2023.

At 31 January 2024, the Group obtained updated market valuations of its freehold properties held for sale, to determine the fair value of each building. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that net impairment charges totalling £10.4m should be recognised against the Group's property assets held for sale at 31 January 2024.

During the year ended 31 January 2025, the Group declassified one of the properties held for sale at 31 January 2024, to property, plant and equipment, since it was no longer being actively marketed for disposal. The carrying value of this property at 31 January 2024 was £6.0m. Other than this one property, there were no changes to the Group's intention to sell any of the properties classified as held for sale at 31 January 2024.

At 31 January 2025, the Group obtained updated market valuations of its freehold properties held for sale, to determine the fair value of each building. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that net impairment charges totalling £0.4m should be recognised against the Group's property assets held for sale at 31 January 2025.

At 31 January 2025, the carrying values of the properties classified as held for sale, totalling £11.0m, were representative of either each property's fair value or historic cost less accumulated depreciation and any impairment charges to date, whichever is lower. These properties are being actively marketed and the disposals are expected to be completed within 12 months of the end of the financial period. The held for sale designation is considered to remain appropriate for all properties at 31 January 2025. All properties classified as held for sale at 31 January 2025 are held by continuing operations.

39 Subsidiaries

The entities listed below are subsidiaries of the Company or Group at 31 January 2025. The ordinary equity shares of all subsidiary undertakings are 100% owned. All subsidiary undertakings are included within the consolidated financial statements. The registered office address for all entities registered in England is 3 Pancras Square, London N1C 4AG, United Kingdom. The registered office address of Acromas Insurance Company Limited is 57/63 Line Wall Road, Gibraltar.

Company name	Country of registration	Nature of business
Saga Personal Finance Limited	England	Delivery of regulated investment products
Saga Services Limited	England	Regulated insurance broking
Acromas Insurance Company Limited	Gibraltar	Insurance underwriting
CHMC Limited[23]	England	Motor accident management
PEC Services Limited[23]	England	Repairer of automotive vehicles
ST&H Limited	England	Tour operating
Saga Travel Group (UK) Limited	England	Tour operating
Titan Transport Limited	England	Tour operating
Saga Cruises Limited	England	Cruising
Saga Cruises V Limited	England	Cruising
Saga Cruises VI Limited	England	Cruising
Saga Crewing Services Limited[23]	England	Cruising
CustomerKNECT Limited[23]	England	Mailing house
Saga Mid Co Limited	England	Debt service provider
Saga Publishing Limited[23]	England	Publishing
CHMC Holdings Limited	England	Dormant holding company
ST&H Group Limited	England	Holding company
Saga Leisure Limited[23]	England	Holding company
Saga Group Limited	England	Provision of administrative function for central costs
Confident Services Limited	England	Dormant company
Saga Membership Limited	England	Dormant company
Saga Travel Group Limited	England	Dormant company
Saga Radio (North West) Limited	England	Dormant company

In addition to the above, the Directors consider that, under the terms of the contractual arrangements in place, Saga plc has control over the Saga EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation. The registered office of the EBT is 26 New Street, St Helier, Jersey JE2 3RA.

23 These subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 January 2025. As required, Saga plc, the ultimate parent undertaking and controlling party of the Group, guarantees all outstanding liabilities to which these subsidiary companies are subject at the end of the financial year, until they are satisfied in full. This is in accordance with Section 479C of the Companies Act 2006. The guarantee is enforceable against Saga plc as the ultimate parent undertaking, by any person to whom the subsidiary companies listed above are liable in respect of those liabilities

Notes to the consolidated financial statements continued

40 Related party transactions

As set out in Note 30, in April 2023, the Group entered into a forward starting loan facility provided by Roger De Haan, commencing on 1 January 2024, under which the Group could draw down up to £50.0m with 30 days' notice to support liquidity needs and specifically the repayment of £150.0m bonds maturing in May 2024. The facility was provided on an arm's-length basis and was guaranteed by Saga, Mid Co and Saga Services Limited. Per the original terms of agreement, interest accrued on the drawn total of the facility at a rate of 10% and was payable on the last day of the period of the loan. The facility was originally due to mature on 30 June 2025, at which point any outstanding amounts, including interest, were due to be repaid. The facility was subject to a 2% arrangement fee, payable on entering the arrangement. A drawdown fee of 2% on any amount drawn down under the facility was payable on the drawing date; and milestone fees of 2% on any uncancelled amount of the facility became payable on 31 March 2024 and 31 December 2024 respectively.

In September 2023, the Group agreed an increase and extension to the existing loan facility provided by Roger De Haan. The increase was for the value of £35.0m, taking the total facility to £85.0m, and the facility was extended to expire on 31 December 2025, previously 30 June 2025. The interest rate paid on funds on the drawn total under this facility to finance the repayment of notes issued by Saga, or to provide cash collateral demanded by providers of bonding facilities to the Group, remained at 10%, but increased to 18% for any amounts drawn to support general corporate purposes. In addition, the previous arrangement and milestone fees of 2% remained payable; however, the drawdown fee of 2% increased to 5% for drawdowns for general corporate purposes. The amended facility was provided on the basis of certain conditions being met, including:

- no professional advisers were to be appointed to or retained by Saga without prior approval of the Board; and
- no incremental financial indebtedness, over and above the facilities already in place, was to be incurred by Group companies, including contracts classed as finance lease arrangements under previous IFRS.

In April 2024, a reduction of the notice period required for drawdown of the loan to 10 business days was agreed, in addition to a further extension to the termination date of the facility, from 31 December 2025 to 30 April 2026.

In May 2024, the Group drew down £75.0m of the loan facility provided by Roger De Haan.

In September 2024, an increase to the maximum number of permitted facility utilisation requests was also agreed, from three to 10.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of a 20-year partnership for motor and home insurance with Ageas (Note 38a)).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility provided by Roger De Haan. Accrued interest payable on the loan facility provided by Roger De Haan at 31 January 2025 was £1.8m (2024: £nil).

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the loan facility provided by Roger De Haan was repaid and cancelled in full following the year end.

41 Events after the reporting period

Since the year end, the Group closed the new credit facilities detailed in Note 30 and drew down the £335.0m term loan facility on 27 February 2025, utilising the proceeds to repay, and cancel in full, the £250.0m senior unsecured notes maturing in July 2026, and the £75.0m drawn under the £85.0m loan facility provided by Roger De Haan . In addition, the existing undrawn £50.0m RCF was cancelled.

COMPANY FINANCIAL STATEMENTS OF SAGA PLC

Balance sheet

	Note	2025 £m	2024 £m
Fixed assets			
Investment in subsidiaries	2	659.3	167.3
Current assets			
Debtors – amounts falling due after more than one year	3	337.2	505.4
Debtors – amounts falling due within one year	3	0.1	2.2
		337.3	**507.6**
Creditors – amounts falling due within one year	4	**(2.1)**	**(5.8)**
Net current assets		**335.2**	**501.8**
Creditors – amounts falling due after more than one year	5	**(249.0)**	**(398.2)**
Net assets		**745.5**	**270.9**
Capital and reserves			
Called up share capital	6	21.5	21.3
Share premium account		648.3	648.3
Own shares held reserve		(1.4)	(1.2)
Retained earnings/(deficit)		67.5	(407.6)
Share-based payment reserve		9.6	10.1
Total shareholders' funds		**745.5**	**270.9**

The Company has not presented its own profit and loss account as permitted by Section 408(3) of the Companies Act 2006 (the **Act**). The profit included in the financial statements of the Company, determined in accordance with the Act, was £470.5m (2024: £22.0m loss).

Company number: 08804263

The Notes on pages 179-182 form an integral part of these financial statements.

Signed for and on behalf of the Board on 15 April 2025 by

Mike Hazell
Group Chief Executive Officer

Mark Watkins
Group Chief Financial Officer

COMPANY FINANCIAL STATEMENTS OF SAGA PLC

Statement of changes in equity

	Called up share capital £m	Share premium account £m	Own shares held reserve £m	Retained (deficit)/ earnings £m	Share-based payment reserve £m	Total equity £m
At 1 February 2023	21.1	648.3	–	(386.6)	9.0	291.8
Loss for the financial year	–	–	–	(22.0)	–	(22.0)
Issue of share capital (Note 6)	0.2	–	–	–	–	0.2
Share-based payment charge	–	–	–	–	2.9	2.9
Own shares transferred in the year	–	–	(1.2)	(0.8)	–	(2.0)
Transfer upon vesting of share options	–	–	–	1.8	(1.8)	–
At 31 January 2024	**21.3**	**648.3**	**(1.2)**	**(407.6)**	**10.1**	**270.9**
Profit for the financial year	–	–	–	470.5	–	470.5
Issue of share capital (Note 6)	0.2	–	(0.2)	–	–	–
Share-based payment charge	–	–	–	–	4.2	4.2
Transfer upon vesting of share options	–	–	–	4.6	(4.7)	(0.1)
At 31 January 2025	**21.5**	**648.3**	**(1.4)**	**67.5**	**9.6**	**745.5**

The Notes on pages 179-182 form an integral part of these financial statements.

Notes to the Company financial statements

1.1 Accounting policies

a) Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard (**FRS**) 101 'Reduced Disclosure Framework'.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 (the **Act**) and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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 Act, are prepared on a going concern basis (please refer to Note 2.1 of the Saga plc consolidated accounts on page 111 for an assessment of the going concern basis for the Group and the Company).

The Company's financial statements are presented in sterling and all values are rounded to the nearest hundred thousand (£m), except when otherwise indicated.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2025.

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

- The requirements of International Financial Reporting Standard (**IFRS**) 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of International Accounting Standard (**IAS**) 1 'Presentation of Financial Statements'.
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- The requirements of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures'.
- 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.
- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share-based Payment'.

b) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost, less a provision for impairment, and are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If there is an indication that the recoverable value of a previously impaired investment in a subsidiary has increased, previously recognised impairments are reversed up to the lower of historical cost and the recoverable value of the investment

c) Debtors

Trade and other debtors are initially recognised at fair value and, where the time value of money is material, subsequently measured at amortised cost using the effective interest rate (**EIR**) method. Provision for impairment is made using the simplified approach set out in IFRS 9 'Financial Instruments', whereby no credit loss allowance is recognised on initial recognition and then, at each subsequent reporting date, the loss allowance will be the present value of the expected cash flow shortfalls over the remaining life of the debtors (i.e. lifetime expected credit losses (**ECLs**)). 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 amortised cost.

d) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date. Deferred tax is charged, or credited, in the income statement, except when it relates to items charged or credited in other comprehensive income (**OCI**), in which case the deferred tax is dealt with in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Share-based payments

The Company provides benefits to employees (including Directors) of Saga plc and its subsidiary undertakings, in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is measured by reference to the fair value on the grant date and is recognised as an expense over the relevant vesting period, ending on the date on which the employee becomes fully entitled to the award.

Fair values of share-based payment transactions are calculated using market price valuation modelling techniques.

In valuing equity-settled transactions, assessment is made of any vesting conditions to categorise these into market performance conditions, non-market performance conditions and service conditions.

Where the equity-settled transactions have market performance conditions (that is, performance that is directly or indirectly linked to the share price), the fair value of the award is assessed at the time of grant and is not changed, regardless of the actual level of vesting achieved, except where the employee ceases to be employed prior to the vesting date.

For service conditions and non-market performance conditions, the fair value of the award is assessed at the time of grant and is reassessed at each reporting date to reflect updated expectations for the level of vesting. No expense is recognised for awards that ultimately do not vest.

At each reporting date prior to vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and, in the case of non-market conditions, the best estimate of the number of equity instruments that will ultimately vest or, in the case of instruments subject to market conditions, the fair value on grant adjusted only for leavers. The movement in the cumulative expense since the previous reporting date is recognised in the income statement, with the corresponding increase in the share-based payments reserve.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to reserves.

Notes to the Company financial statements continued

1.1 Accounting policies continued

f) Equity

The Group has ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

g) Own shares

Own shares represent the shares of the Company that are held by an Employee Benefit Trust (**EBT**). Own shares are recorded at cost and deducted from equity. The Directors consider that, under the terms of the contractual arrangements in place, the Company has control over the EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation.

h) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost, fair value through other comprehensive income (**FVOCI**) or fair value through profit and loss (**FVTPL**). The classification of financial assets is based on the business model in which a financial asset is managed, and its contractual cash flow characteristics.

The Company measures all financial assets at fair value at each reporting date, other than those instruments measured at amortised cost.

The Company's financial assets at amortised cost include amounts due from Group undertakings. The Company does not hold any financial assets classified as FVOCI or FVTPL.

(a) Financial assets at amortised cost

Initial recognition and measurement

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- 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 EIR method. The amortised cost is reduced by impairment losses (see (b) to the right). Impairment losses 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.

(b) Impairment of financial assets

The 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.

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 Group'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.

ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition.

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 comprise loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the 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, 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.

i) Audit remuneration

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

1.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the primary Company financial statements and Notes to the Company financial statements.

Significant estimates

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may, therefore, differ from those estimates.

The table below sets out those items the Company considers susceptible to changes in critical estimates and assumptions, together with the relevant accounting policy.

Acc. policy	Items involving estimation	Sources of estimation uncertainty
1.1b)	Investment in subsidiaries impairment testing	The Company determines whether the investment in subsidiaries needs to be impaired when indicators of impairment exist. This requires an estimation of the value-in-use of the subsidiaries owned by the Company. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the subsidiaries, discounted at a suitably risk-adjusted rate to calculate present value. Sensitivity analysis was undertaken to determine the effect of changing the discount rate, the terminal value and earnings before interest, tax, depreciation and amortisation (**EBITDA**) multiple on the present value calculation, which is shown in Note 2 below.

2 Investment in subsidiaries

	£m
Cost	
At 1 February 2023	4,132.7
At 31 January 2024 and 31 January 2025	**4,132.7**
Impairment	
At 1 February 2023 and 31 January 2024	3,965.4
Amounts reversed in the year	(492.0)
At 31 January 2025	**3,473.4**
Net book value	
At 31 January 2025	**659.3**
At 31 January 2024	167.3

See Note 39 to the consolidated financial statements for a list of the Company's investments.

The net assets of the Company were in excess of its market capitalisation of £177.5m at 31 January 2025, thus constituting an indicator of impairment. An impairment assessment was, therefore, performed in which the recoverable amount of the investment was compared with its carrying value.

A value-in-use of the Company's subsidiaries was determined based on a sum-of-the-parts valuation for each of the Group's businesses, using discounted cash flow projections from the Group's Board-approved five-year plan to 2029/30 for certain parts of the business, and EBITDA multiples to estimate the present value of future dividend streams for other subsidiaries.

For the discounted cash flow projections, a terminal value was calculated using the Gordon Growth Model based on the fifth year of those projections and an annual growth rate of 2.0% (2024: 2.0%) as the expected long-term average nominal growth rate of the UK economy. Cash flows for a base case scenario and a stressed case scenario were then discounted to present value using a suitably risk-adjusted nominal discount rate relevant to each of the segments.

At 31 January 2025, the range of pre-tax discount rates used was 12.6% to 15.2% (2024: 13.0% to 15.3%). EBITDA multiples of 6.6x to 12.0x (2024: 6.0x to 9.5x) were used for the Travel businesses. As per IAS 36.44, incremental cash flows directly attributable to growth initiatives not yet enacted at the balance sheet date were removed for the purpose of the value-in-use calculation. In the year ended 31 January 2025, the recoverable amount calculated using this methodology when compared against the carrying value of the investment in subsidiaries resulted in headroom of £492.0m in a probability weighted scenario of base case to stressed case cash flows. The headroom was identified as being reflective of strong trading forecasts for the Travel businesses and reduced financing risk resulting from the successful refinancing of our corporate debt. No further impairment was therefore assessed as necessary and management have reversed impairments recorded in previous years of £492.0m at 31 January 2025.

In the prior year, an impairment assessment was also performed in which the recoverable amount of the investment was compared with its carrying value. The recoverable amount, when compared against the carrying value of the investment in subsidiaries, resulted in headroom in a base scenario. Management, therefore, concluded that it was not necessary to impair the investment in subsidiaries, nor would it be appropriate to reverse any impairment already recognised in previous years at that point.

The headroom calculated is most sensitive to the EBITDA multiple, the discount rate and the terminal growth rate assumed. A quantitative sensitivity analysis for each of these at 31 January 2025 and its impact on the headroom/(deficit) against the carrying value of investment in subsidiaries as calculated against the base case cashflow is as follows:

	EBITDA multiple		Pre-tax discount rate		Terminal growth rate	
	+1x £m	−1x £m	+1.0ppt £m	−1.0ppt £m	+1.0ppt £m	−1.0ppt £m
Impact	114.6	(114.6)	(22.0)	26.5	22.3	(18.5)

Notes to the Company financial statements continued

3 Debtors

	2025 £m	2024 £m
Amounts falling due after more than one year		
Amounts due from Group undertakings	337.2	505.4
	337.2	**505.4**

	2025 £m	2024 £m
Amounts falling due within one year		
Deferred tax asset	–	2.2
Prepayments	0.1	–
	0.1	**2.2**

For amounts due from Group undertakings, the ECLs are considered to be immaterial.

4 Creditors – amounts falling due in less than one year

	2025 £m	2024 £m
Other creditors	0.1	0.1
Accruals	1.4	4.0
Accrued interest and fees payable	0.6	1.7
	2.1	**5.8**

5 Creditors – amounts falling due in more than one year

	2025 £m	2024 £m
Bonds	250.0	400.0
Unamortised issue costs	(1.0)	(1.8)
	249.0	**398.2**

Please refer to Note 30 of the Saga plc consolidated accounts on pages 163-165 for further details relating to the bonds.

6 Called up share capital

	Ordinary shares		
	Number	Nominal value £	Value £m
Allotted, called up and fully paid			
At 1 February 2023	140,337,271	0.15	21.1
Issue of shares – 1 August 2023	1,458,551	0.15	0.2
At 31 January 2024	**141,795,822**	**0.15**	**21.3**
Issue of shares – 3 May 2024	1,565,919	0.15	0.2
At 31 January 2025	**143,361,741**	**0.15**	**21.5**

On 1 August 2023, Saga plc issued 1,458,551 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares ranked pari passu with existing Saga shares.

On 3 May 2024, Saga plc issued 1,565,919 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares ranked pari passu with existing Saga shares.

7 Commitments

The Company provided guarantees for the Group's bond, Ocean Cruise ship debt, Revolving Credit Facility and bank overdraft (please refer to Notes 25 and 30 of the Saga plc consolidated accounts on pages 154, and 163-165).

Alternative Performance Measures Glossary

The Group uses a number of Alternative Performance Measures (**APMs**), which are not required or commonly reported under International Financial Reporting Standards, the Generally Accepted Accounting Principles (**GAAP**) under which the Group prepares its financial statements, but which are used by the Group to help the user of the accounts better understand the financial performance and position of the business.

Definitions for the primary APMs used in this report are set out below. APMs are usually derived from financial statement line items and are calculated using consistent accounting policies to those applied in the financial statements, unless otherwise stated. APMs may not necessarily be defined in a consistent manner to similar APMs used by the Group's competitors. They should be considered as a supplement to, rather than a substitute for, GAAP measures.

Underlying Revenue

Underlying Revenue represents revenue excluding the Insurance Broking onerous contract provision, the AXA profit share payable on cessation of the private medical insurance (**PMI**) contract, revenue associated with the exit from some of our smaller, loss-making activities and Ocean Cruise insurance compensation and discretionary ticket refunds to customers.

This measure is useful for presenting the Group's underlying trading performance as it excludes non-cash technical accounting adjustments and one-off financial impacts that are not expected to recur. In the case of the Insurance Broking onerous contract provision, this is excluded due to it being a fair value type adjustment to revenue that will reverse over time.

Underlying Revenue reconciles to the statutory measure of revenue as follows:

£m	12m to Jan 2025	*Change*	12m to Jan 2024
Underlying Revenue	768.2	*4.8%*	732.7
Ceded reinsurance premiums earned on business underwritten by the Group	17.1	*0.6%*	17.0
Insurance Broking onerous contract provision	1.8	*158.1%*	(3.1)
AXA profit share payable on cessation of PMI contract	(2.6)	*(100%)*	–
Ocean Cruise insurance compensation for refund paid to customers	–	*100.0%*	(5.0)
Ocean Cruise discretionary customer ticket refunds	–	*100.0%*	(0.9)
Profit commission relating to Insurance Underwriting activities	–	*100.0%*	(0.9)
Exit from smaller, loss-making activities	0.5	*61.5%*	1.3
Included within discontinued operations	(196.7)	*(11.4%)*	(176.5)
Revenue per statutory financial statements	**588.3**	***4.2%***	**564.6**

Underlying Profit Before Tax

Underlying Profit Before Tax represents the loss before tax excluding the impairment of Insurance Broking goodwill and the following other exceptional items:

- unrealised fair value losses on derivatives;
- discretionary Ocean Cruise customer ticket refunds and associated costs;
- additional Ocean Cruise dry dock costs and customer compensation relating to Spirit of Adventure;
- impairment of the carrying value of other non-financial assets;
- impact of changes in the discount rate on non-periodical payment order (**PPO**) liabilities[1];
- fair value gains on debt securities;
- foreign exchange gains on River Cruise ship leases;
- costs and amortisation of fees relating to the loan facility provided by Roger De Haan;
- movements in the insurance onerous contract provisions (net of reinsurance recoveries)[2];
- profit share payable to AXA on cessation of PMI contract;
- costs in relation to the acquisition and disposal of The Big Window Consulting Limited (the **Big Window**);
- the International Financial Reporting Standard (**IFRS**) 16 lease accounting adjustment on River Cruise vessels; and
- restructuring costs.

It is reconciled to statutory loss before tax within the Group Chief Financial Officer's Review on page 25.

This measure is the Group's key performance indicator and is useful for presenting the Group's underlying trading performance, as it excludes non-cash technical accounting adjustments and one-off financial impacts that are not expected to recur.

As Underlying Profit Before Tax includes the benefits of restructuring programmes, but excludes significant costs, such as impairment of non-financial assets and restructuring items, it should not be regarded as a complete picture of the Group's financial performance, which is presented in its financial statements. The exclusion of other underlying items may result in Underlying Profit Before Tax being materially higher or lower than reported loss before tax. In particular, when significant non-financial asset impairments and restructuring charges are excluded, Underlying Profit Before Tax will be higher than earnings reported in the financial statements.

1 This adjustment reduces the risk of residual volatility from changes in market interest rates adversely affecting Underlying Profit Before Tax

2 The IFRS 17 onerous contract requirements create a timing mismatch between when claims are incurred and when they are recognised in profit before tax. Underlying Profit Before Tax adjusts for this timing mismatch by reversing the impact of these requirements

Alternative Performance Measures Glossary continued

Trading EBITDA

Trading EBITDA is defined as earnings before interest payable, tax, depreciation and amortisation, and excludes the International Accounting Standard 19R pension charge, exceptional costs and impairments.

Trading EBITDA , on a rolling 12-month basis, is a key component of Adjusted Trading EBITDA (see opposite), which acts as the denominator in the Group's Leverage Ratio covenant calculations applicable to the Revolving Credit Facility (**RCF**) that was in place at 31 January 2025. It reconciles to Underlying Profit Before Tax as follows:

£m	12m to Jan 2025	Change	12m to Jan 2024
Ocean Cruise Trading EBITDA	89.2	19.3%	74.8
River Cruise Trading EBITDA	4.0	29.0%	3.1
Holidays Trading EBITDA	10.8	350.0%	2.4
Insurance Broking Trading EBITDA	22.4	(52.5%)	47.2
Insurance Underwriting Trading EBITDA	19.6	>500.0%	1.2
Other Businesses and Central Costs Trading EBITDA	(8.9)	27.0%	(12.2)
Trading EBITDA	**137.1**	**17.7%**	**116.5**
Depreciation and amortisation	(35.4)	(2.9%)	(34.4)
Net finance costs (including Ocean Cruise and Insurance Underwriting)	(53.9)	(22.8%)	(43.9)
Underlying Profit Before Tax	**47.8**	**25.1%**	**38.2**

£m	12m to Jan 2025	Change	12m to Jan 2024
Depreciation and amortisation per above table	**35.4**	**(2.9%)**	**34.4**
Depreciation included within other exceptional items	4.7	49.5%	9.3
Amortisation included within other exceptional items	–	100.0%	0.4
Depreciation and amortisation per statutory financial statements	**40.1**	**9.1%**	**44.1**

£m	12m to Jan 2025	Change	12m to Jan 2024
Net finance costs (including Ocean Cruise and Insurance Underwriting) per above table	**53.9**	**(22.8%)**	**43.9**
Included within other exceptional items	5.4	(80.0%)	3.0
Included within discontinued operations	(8.8)	252.0%	(2.5)
Net finance costs per consolidated income statement	**50.5**	**(13.7%)**	**44.4**

Adjusted Trading EBITDA

Adjusted Trading EBITDA represents Trading EBITDA, excluding the impact of IFRS 9 'Financial Instruments', IFRS 15 'Revenue Recognition', IFRS 16 'Leases' and IFRS 17 'Insurance Contracts' and acts as the denominator in the Group's Leverage Ratio covenant calculation applicable to the RCF that was in place at 31 January 2025.

Adjusted Trading EBITDA is calculated as follows:

£m	12m to Jan 2025	Change	12m to Jan 2024
Trading EBITDA (12 months rolling)	**137.1**	17.7%	**116.5**
Impact of accounting standard changes since 31 January 2017	(11.1)	(>500.0%)	1.0
Adjusted Trading EBITDA	**126.0**	**7.2%**	**117.5**

Gross Written Premiums

Gross Written Premiums represent the total premium that the Group charges to customers for a core insurance product, excluding insurance premium tax but before the deduction of any outward reinsurance premiums, measured with reference to the cover start date of the policy. This measure is widely used by insurers so provides a meaningful comparison of performance with our peers. It is analysed further within the Group Chief Financial Officer's Review on page 29.

Written Gross Profit After Marketing Expenses

Written Gross Profit After Marketing Expenses is calculated as written revenue, less cost of sales and marketing expenses. This measure provides a meaningful view of the contribution of each Insurance Broking product, before accounting for operating expenses, and is analysed further within the Group Chief Financial Officer's Review on page 29.

Underlying Basic Earnings Per Share

Underlying Basic Earnings Per Share represents the basic loss per share excluding the post-tax effect of:

- unrealised fair value losses on derivatives;
- discretionary Ocean Cruise customer ticket refunds and associated costs;
- additional Ocean Cruise dry dock costs and customer compensation relating to Spirit of Adventure;
- impairment of the carrying value of other non-financial assets;
- impact of changes in the discount rate on non-PPO liabilities[3];
- fair value gains on debt securities;
- foreign exchange gains on River Cruise ship leases;
- costs and amortisation of fees relating to the loan facility provided by Roger De Haan;
- movements in the insurance onerous contract provisions (net of reinsurance recoveries)[4];
- profit share payable to AXA on cessation of PMI contract;
- costs in relation to the acquisition and disposal of the Big Window;
- the IFRS 16 lease accounting adjustment on River Cruise vessels; and
- restructuring costs.

This measure is reconciled to the statutory basic loss per share in Note 12 to the accounts on page 135.

This measure is linked to the Group's key performance indicator, Underlying Profit Before Tax, and represents what management considers to be the underlying shareholder value generated in the period.

3 This adjustment reduces the risk of residual volatility from changes in market interest rates adversely affecting Underlying Profit Before Tax

4 The IFRS 17 onerous contract requirements create a timing mismatch between when claims are incurred and when they are recognised in profit before tax. Underlying Profit Before Tax adjusts for this timing mismatch by reversing the impact of these requirements

Available Cash

Available Cash represents cash held by subsidiaries within the Group that is not subject to regulatory restrictions, net of any overdrafts held by those subsidiaries. This measure is reconciled to the statutory measure of cash in Note 25 to the accounts on page 154.

Available Operating Cash Flow

Available Operating Cash Flow is net cash flow from operating activities after capital expenditure but before tax, interest paid, restructuring costs and other payments, which is available to be used by the Group as it chooses and is not subject to regulatory restriction.

Available Operating Cash Flow reconciles to net cash flows from operating activities as follows:

£m	**12m to Jan 2025**	***Change***	12m to Jan 2024
Net cash flows from operating activities (reported)	113.2	*35.2%*	83.7
Exclude cash impact of:			
Trading of restricted divisions	(61.9)	*(376.2%)*	(13.0)
Restructuring costs and other payments	27.1	*(21.7%)*	34.6
Interest paid	41.7	*9.2%*	38.2
Tax received	(3.6)	*(12.5%)*	(3.2)
	3.3	*(94.2%)*	56.6
Cash released from restricted divisions	23.0	*(20.7%)*	29.0
Capital expenditure funded from Available Cash	(18.4)	*27.8%*	(25.5)
Cash collateralised Association of British Travel Agents bonding	(11.5)	*(100.0%)*	–
Available Operating Cash Flow	**109.6**	***(23.8%)***	**143.8**

Net Debt

Net Debt is the sum of the carrying values of the Group's debt facilities less the amount of Available Cash it holds and is analysed further within the Group Chief Financial Officer's Review on page 36.

Leverage Ratio

Leverage Ratio is the ratio of Net Debt to Adjusted Trading EBITDA as of the last day of a relevant period. It is a key metric used to report the Group's capacity to service its debt and acts as the denominator in the leverage covenant calculation for the Group's credit facilities.

Glossary

ABTA (Association of British Travel Agents) the trade association for tour operators and travel agents in the UK, of which the Group's Travel businesses are members

Act the UK Companies Act 2006, applicable to Saga, as amended from time to time

Add-on an ancillary insurance product that is actively marketed and sold in addition to a core policy

Affinity Partnership the binding agreement between Saga and wholly owned UK subsidiaries of Ageas SA/NV, to establish a 20-year partnership for motor and home insurance

Ageas (wholly owned UK subsidiaries of Ageas SA/NV) provider of personal insurance in the UK with whom Saga have agreed a 20-year partnership for motor and home insurance, alongside the sale of the Insurance Underwriting business, Acromas Insurance Company Limited

AGM (Annual General Meeting) to be held at 11.00am on 24 June 2025 at Numis Securities Limited, 45 Gresham Street, London EC2V 7BF

AICL (Acromas Insurance Company Limited) the Group's discontinued Insurance Underwriting business

Annual Bonus Plan an incentive provided to Executive Directors, linked to achievement in delivering goals that are closely aligned with the Group's strategy

Annual policies 12-month insurance policies, sold by the Group's Insurance Broking business, with no option for the customer to fix the premium at renewal

APMs (Alternative Performance Measures) a series of measures which are not required, or commonly reported, under accounting standards but are used by the Group to help users better understand the financial performance and position of the business

ATOL (Air Travel Organisers' Licencing) government-run financial protection scheme operated by the Civil Aviation Authority, the regulators of the Group's River Cruise and Holidays businesses

Board Saga plc Board of Directors

BU (business unit) term used to refer to an area of the business, such as Cruise, Holidays, Insurance, Money or Publishing

CAA (Civil Aviation Authority) one of the bodies that regulates the Group's River Cruise and Holidays businesses

CEO (Chief Executive Officer) Mike Hazell for the 2024/25 financial year

CFO (Chief Financial Officer) Mark Watkins for the 2024/25 financial year

CGR (Corporate Governance Reforms) a range of legislative and business-led measures, designed by the UK Government to improve corporate governance

CGU (cash generating unit) smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

CII (Carbon Intensity Indicator) regulations, applicable to the Group's Ocean Cruise business, introduced during 2023/24, enabling the cruise industry to meet their emission targets

CIIA (Chartered Institute of Internal Auditors) the professional body dedicated to raising the profile of the vital work of internal auditors in the UK and Ireland

Clawback a requirement, within the Group's Remuneration Policy, for Executive Directors to return remuneration or benefits to a company in special circumstances

Code the UK Corporate Governance Code 2018 published by the UK Financial Reporting Council setting out guidance in the form of principles and provisions to address the principal aspects of corporate governance

Company Saga plc

Contract boundary the measurement of the Group's insurance contracts issued, and reinsurance contracts, which reflects all future cash flows arising from insurance coverage within the boundary of each contract

COR (combined operating ratio) the ratio of the claims costs and expenses incurred to underwrite insurance (numerator), to the revenue earned by the Group's discontinued Insurance Underwriting business (denominator) in a given period. Can otherwise be calculated as the sum of the loss ratio and expense ratio

CPO (Chief People Officer) Roisin Mackenzie for the 2024/25 financial year

CustomerKNECT the Group's in-house mailing and printing business

DBP (Deferred Bonus Plan) reward scheme, within the Group's Remuneration Policy, used to incentivise colleagues over the longer term, ensuring alignment with Company goals

DEI&B (diversity, equity, inclusion and belonging) the agenda under which the Group is committed to creating an inclusive culture, where all colleagues can bring their full and authentic selves to work

DPA (Data Protection Act) a UK law, applicable to the Group, that regulates the use and protection of personal data

DTRs (Disclosure and Transparency Rules) rules published by the UK Financial Conduct Authority relating to the disclosure of information by a company, such as Saga plc, listed in the UK

Earnings per share represents underlying shareholder value generated in a given period

EBITDA (earnings before interest, tax, depreciation and amortisation) of acquired intangibles, non-trading costs and impairments

EBT (Employee Benefit Trust) a discretionary trust set up by the Group to hold shares on behalf of its colleagues

ECL (expected credit loss) probability-weighted estimate of credit losses over the life of a financial instrument

Economic Crime and Corporate Transparency Act legislation designed to improve transparency over UK companies and other legal entities to strengthen the business environment, support national security and disrupt economic crime

EEXI (Energy Efficiency Existing Ship Index) benchmark used to indicate a ship's energy efficiency, in which the Group's Ocean Cruise ships achieve an 'A' rating

EIR (effective interest rate) the rate that exactly discounts the Group's estimated future cash flows to the gross carrying amount of a financial asset or amortised cost of a financial liability

EQ (Equiniti) the Group's share registrar and first point of contact for shareholding enquiries

Equity-settled transactions instances where services received from colleagues are settled in the form of shares, or share options, in the Group

Escrow Accounting an arrangement with the Civil Aviation Authority whereby the Group holds 70% of customer monies received in advance, in relation to Air Travel Organisers' Licencing bookings, until they return from their holiday

ESEF (European Single Electronic Format) the electronic reporting format that the Group must use to prepare annual financial reports

ESG (Environmental, Social and Governance) central factors in measuring the sustainability and societal impact of the Group

Executive Director of Saga plc (unless otherwise stated)

Expense ratio the ratio of expenses incurred to underwrite insurance (numerator) to the revenue earned by the Group's discontinued Insurance Underwriting business (denominator) in a given period

Experienced Voices a panel of our customers who participate in research for the Group

FAME (fatty acid methyl ester) a biofuel which has recently been trialled on board our Ocean Cruise ships

FCA (Financial Conduct Authority) the independent UK body that regulates the financial services industry, including the Group's Insurance Broking and Money businesses

FRC (Financial Reporting Council) independent regulator in the UK and Ireland responsible for regulating auditors, accountants and actuaries

Free Shares the gift of shares to colleagues to recognise their contributions towards the Group's performance

FRS (Financial Reporting Standard) accounting standards issued by the International Financial Reporting Standards Foundation

FSC (Financial Services Commission) regulator for the non-bank financial services sector and global business

FTSE Women Leaders Review an independent business-led framework, supported by the Government, that sets recommendations to improve the representation of women on the Boards and Leadership teams of the UK's largest companies

FuelEU Maritime regulation that came into force in January 2025, applying to our Cruise business, encouraging the adoption of low or zero carbon fuels

Fulfilment cash flows in relation to the measurement of liabilities for incurred claims under International Financial Reporting Standard 17 'Insurance Contracts', the sum of the expected future discounted cash flows; and a risk adjustment margin above the expected future cash flows that represents the compensation required for bearing non-financial uncertainty

FVOCI (fair value through other comprehensive income) one of three classification categories for the Group's financial assets under International Financial Reporting Standard 9 'Financial Instruments'

FVTPL (fair value through profit and loss) one of three classification categories for the Group's financial assets under International Financial Reporting Standard 9 'Financial Instruments'

GAAP (Generally Accepted Accounting Principles) a common set of accounting principles, standards and procedures issued by the Financial Accounting Standards Board

GDPR (General Data Protection Regulation) data protection regulation introduced in 2018 that applies to most UK businesses, including the Group

GHG (greenhouse gas) a type of gas for which Saga provides annual reporting on its emissions

Gibraltar Financial Services Commission independent Gibraltar body that regulates the Group's discontinued Insurance Underwriting business

GIPP (General Insurance Pricing Practices) a review into pricing practices within the UK insurance market conducted by the Financial Conduct Authority

Going concern an accounting term for a business that is assumed to be able to meet its financial obligations when they fall due

Gross premium the premium that the Group charges to a customer in respect of insurance cover

Group the Saga plc group

Host insurance contract the total cash flows arising from all insurance contracts of the Group, considered as a whole

IAA (Internal Audit and Assurance) the Group's Internal Audit and Assurance function

IAS (International Accounting Standards) accounting standards issued by the International Accounting Standards Committee

IBNR (incurred but not reported) a claims reserve provided to meet the estimated cost of claims that have occurred, but have not yet been reported to the insurer

IEA (International Energy Agency) global organisation which provides policy recommendations, analysis and data on the energy sector

IFRS (International Financial Reporting Standards) accounting standards issued by the International Accounting Standards Board

IMO (International Maritime Organization) a specialised agency of the United Nations responsible for regulating shipping

Insurance acquisition cash flows acquisition costs arising from the selling or renewing of insurance policies underwritten by the Group

Insurance service result insurance revenue less insurance service expenses

Interest cover the ratio applicable to the Group's Revolving Credit Facility in place at 31 January 2025, calculated by dividing Adjusted Trading EBITDA (numerator as described in the Alternative Performance Measures Glossary) by net cash interest (denominator)

IPCC (Intergovernmental Panel on Climate Change) the United Nations body for assessing the science related to climate change

IPO (Initial Public Offering) the first sale of shares by a previously unlisted company to investors on a securities exchange

IPT (insurance premium tax) tax payable on general insurance premiums in the UK

IR (Investor Relations) the team responsible for facilitating communication between the Group and its investors

JFSC (Jersey Financial Services Commission) the regulatory body for financial services in Jersey, Channel Islands, which regulates our Insurance Broking and discontinued Insurance Underwriting businesses

KPI (key performance indicator) quantifiable measures that the Group uses to evaluate performance

KPMG (KPMG LLP) the Group's external auditor

Load factor the booked proportion of the total capacity across the Group's ships, calculated by dividing the number of berths booked by the total berths available

Loss ratio the ratio of the claims costs (numerator) to the net earned premium (denominator) in a given period

LSE (London Stock Exchange) the stock exchange upon which Saga plc is listed

LTIP (Long-term Incentive Plan) legacy reward scheme used to incentivise colleagues over the longer term, ensuring alignment with Company goals

Malus an arrangement that permits the forfeiture of unvested remuneration awards in circumstances the Company considers appropriate

Management Report the Directors' Report, together with the Strategic Report within this document

Master Trust the Group's defined contribution pension scheme, operated by Aviva

MMQ (middle market quotation) the average of the best buying and selling prices quoted by market makers, taken at the close of the market each day

Net premium the component of gross premium that is charged by the Group's discontinued Insurance Underwriter for each insurance claim

New business new insurance policies, sold by the Group, to customers that do not have an existing policy

Notice formal communication sent to shareholders to inform them about the upcoming Annual General Meeting

OCI (other comprehensive income) revenues, expenses, gains and losses under International Financial Reporting Standards that are excluded from the income statement

Operating Board the first layer of the Group's management below Board level

PAA (premium allocation approach) a simplified method for measuring the Group's insurance revenue and expenses over time

Parker Review an independent framework of business professionals who each bring, on a voluntary basis, a wide range of gender and ethnically diverse perspectives

People Champion Julie Hopes for the 2024/25 financial year

People Committee a monthly forum, chaired by the Chief People Officer and attended by Lead Colleague Ambassadors from across the Group, allowing colleagues to share their thoughts and views

Per diem the total amount of Cruise revenue earned per passenger per day

PMI (private medical insurance) one of the products offered within the Group's Insurance Broking business

Glossary continued

Policies in force the number of core insurance policies in force at any given time

PPO (periodical payment order) a court order prescribing settlement of an insurance claim through regular payments

PRUs (principal risks and uncertainties) the most significant risks threatening the Group

PwC PricewaterhouseCoopers, the Group's remuneration advisers

RCF (Revolving Credit Facility) the facility that the Group has in place with its lenders, allowing drawdown of funds up to £50.0m

Real Living Wage a pay rate that is independently calculated, based on the cost of living and is typically higher than the national minimum wage

Reinsurance contractual arrangements where an insurer transfers part, or all, of the insurance risk written to another insurer, in exchange for a share of the customer premium

Relationship Agreement the agreement that regulates the relationship between the Group and Roger De Haan

Risk adjustment one of the components for measuring the liability for incurred claims under International Financial Reporting Standard 17 'Insurance Contracts', being an explicit margin above the expected future cash flows that represents the compensation required for bearing non-financial uncertainty

ROCE (return on capital employed) a financial ratio used as a performance condition under the Group's legacy long-term incentive plan

RSP (Restricted Share Plan) share scheme, and corresponding share awards used to incentivise colleagues over the longer term, ensuring alignment with company goals

Saga Cruise ST&H Limited, Saga Cruises Limited, Saga Cruises V Limited, Saga Cruises VI Limited and Saga Crewing Services Limited

Saga Holidays Saga Travel Group (UK) Limited, Saga Travel Group Limited and Titan Transport Limited

Saga Insurance Saga Services Limited, Acromas Insurance Company Limited, CHMC Holdings Limited, CHMC Limited and PEC Services Limited

Saga Money Saga Personal Finance Limited

Saga Publishing Saga Publishing Limited

Saga Travel the Group's Cruise and Holidays businesses

SBTi (Science Based Targets initiative) a global platform that helps companies set and validate science-based greenhouse gas emissions reduction targets

Scope 3 emissions greenhouse gas emissions present in the value chain, which are not directly controlled by the Group

SECR (Streamlined Energy and Carbon Reporting) a sustainability reporting framework, which is mandatory for large organisations in the United Kingdom

Senior Managers and Certification Regime a financial services regulation in the UK, designed to impose personal accountability on senior managers in finance and insurance

Shareholder information annual reports, notices of shareholder meetings and other documentation that Saga is required to send to shareholders

Shareholder Reference a unique reference number issued to shareholders of Saga plc

Shareview Portfolio an online portal, accessed via www.sagashareholder.co.uk that allows shareholders to manage all aspects of their shareholding in Saga plc

SID (Senior Independent Director) Peter Bazalgette for the 2024/25 financial year

SIP (Share Incentive Plan) a plan available to all colleagues, allowing them to purchase shares in Saga plc through a monthly payroll deduction

SLT (Senior Leadership Team) the second layer of the Group's management below Board level

SMC (Small and medium cap) an index containing the Financial Times Stock Exchange largest 250 companies and those of small market capitalisation

Solvency capital/Solvency II insurance regulations designed to harmonise European Union insurance regulation, primarily concerning the amount of capital that European insurance companies must hold under a measure of capital and risk

SONIA (Sterling Overnight Index Average) a replacement for the London inter-bank offered rate, introduced in the UK in 2021

SPA (Share Purchase Agreement) a binding agreement for Ageas (UK) Limited to purchase the shares of the Group's discontinued Insurance Underwriting business, Acromas Insurance Company Limited

Speak Up Champion Gareth Hoskin for the 2024/25 financial year

SPF (Saga Personal Finance Limited) the Group's personal finance business, known as Saga Money

SSL (Saga Services Limited) the Group's Insurance Broking business

SSP (Shared Socioeconomic Pathway) climate changes scenarios of projected socioeconomic global changes up to 2100, as defined in the Intergovernmental Panel on Climate Change's Sixth Assessment Report on climate change in 2021

STP (Saga Transformation Plan) a long-term incentive, as part of the Group's Remuneration Policy, for participants to receive a portion of the value created above a stretching hurdle over a five-year period

STP Pool the maximum number of share awards which may vest under the Saga Transformation Plan, being 12.5% of the value created above £6.00 of shareholder value

Street pricing adjustment any adjustment to the net premium of an insurance policy that is applied during the broking service

Subsidiaries entities controlled by the Group, which form Saga Cruise, Saga Holidays, Saga Insurance, Saga Money, Saga Publishing and CustomerKNECT

Swaps fixed price contracts used by the Group to manage its exposure to fuel prices

TCFD (Task Force on Climate-related Financial Disclosures) part of the regulatory framework introduced by the Financial Stability Board to improve, and increase, reporting on climate-related financial information

tCO_2e tonnes of carbon dioxide equivalent

the Big Window the Big Window Consulting Limited, a specialist research and insight business focussed on the ageing process, which was sold on 31 December 2023

Three-year fixed-price product an insurance product, provided by the Group, with the option for the customer to fix the premium for three years

tNPS (transactional net promoter score) represents the willingness of customers to recommend the Group's products and services to others following a recent transaction

Trust Accounting a historical arrangement with the Civil Aviation Authority, whereby 100% of customer monies received in advance, in relation to Air Travel Organisers' Licencing bookings, were held in trust until after they returned from their holiday

Trust Fund property held, including inter-alia money and ordinary shares in the Company, in trust in favour of, or for the benefit of, colleagues of the Group

TSR (total shareholder return) the theoretical growth in value of a shareholding over a period, by reference to the beginning and ending share price, assuming that dividends, including special dividends, are reinvested to purchase additional units of the equity

UMAS a university-based commercial energy and environmental advisory service to the shipping sector

UK United Kingdom

UKLR (UK Listing Rules) a set of mandatory regulations of the UK Financial Conduct Authority applicable to a company listed on the London Stock Exchange

VaR (Value at Risk) a probability-based estimate of the risk of loss in relation to the Group's portfolio of insurance contracts

Workplace the Group's internal communications platform that keeps colleagues informed and connected via a single, mobile-first channel

Written to earned adjustment the Insurance Broking accounting adjustment, required under International Financial Reporting Standard 15 'Revenue from Contracts with Customers', that spreads revenue and, historically, associated costs, which are underwritten by the Group over the life of the insurance policy

Shareholder information

Financial calendar

2025 Annual General Meeting – 24 June 2025

Shareholder information online

The Company will publish annual reports, notices of shareholder meetings and other documents, which we are required to send to shareholders (**shareholder information**), on our website. Consenting shareholders will be notified either by post or email, if preferred, each time the Company publishes shareholder information. This allows us to increase the speed of communication, reduce our impact on the environment and keep costs to a minimum.

You can change your communication preference via your Shareview Portfolio which can be accessed on our website (www.sagashareholder.co.uk) or by contacting Equiniti (**EQ**). To register, you will require your Shareholder Reference which can be found on most communications from EQ.

Shareview Portfolio is free, secure, easy to use and allows you to elect to receive certain shareholder communications electronically, update your UK bank account details, send your general meeting voting instructions in advance of meetings, keep your contact details up to date, and buy and sell shares easily.

Shareholder fraud

Shareholders are advised to be wary of any unsolicited advice or offers, whether over the telephone, through the post or by email. If any such unsolicited communication is received, please check that the company or person contacting you is properly authorised by the Financial Conduct Authority (**FCA**) before engaging. Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way, you may lose your money. For more information, or if you are approached by fraudsters, please visit the FCA website (www.fca.org.uk/consumers/scams), where you can report and find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

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Equiniti Group

For shareholder enquiries, please contact:

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Lancing
West Sussex BN99 6DA

Shareholder helpline: +44 (0) 371 384 2640

Calls to freephone numbers will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

customer@equiniti.com

Information for shareholders

Information for investors is provided online via the Group's corporate website (www.corporate.saga.co.uk/investors).

Registered office

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Registered in England and Wales. Company Number: 08804263

Corporate websites

Information made available on the Group's websites does not, and is not intended to, form part of this Annual Report and Accounts.

Forward-looking statements

This Annual Report and Accounts contains certain forward-looking statements with respect to Saga's expectations, including strategy, management objectives, future developments and financial position and performance. These statements are subject to assumptions, risks and uncertainties, many of which relate to factors that are beyond Saga's ability to control and which could cause actual results and performance to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements made are based upon the knowledge and information available to Directors on the date of this Annual Report and Accounts and are subject to change without notice. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Nothing in this Annual Report and Accounts should be construed as a profit estimate or forecast.

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Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation). This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO_2 and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

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Experience is everything