9 April 2025

Saga plc

Unaudited preliminary results for the year ended 31 January 2025

Significant strategic progress paves the way for future growth
Underlying profit growth driven by continued Ocean Cruise demand

Saga plc (**Saga** or the **Group**), the UK's specialist in products and services for people over 50, announces its unaudited preliminary results for the year ended 31 January 2025.

Year ended	**31 January 2025**	**31 January 2024**	**Change**
Underlying Revenue[1]	£768.2m	£732.7m	5%
Revenue	£588.3m	£564.6m	4%
Trading EBITDA[1]	£137.1m	£116.5m	18%
Underlying Profit Before Tax[1]	£47.8m	£38.2m	25%
Underlying Profit Before Tax[1] from continuing operations	£37.2m	£34.3m	8%
Loss before tax	(£160.2m)	(£123.8m)	(29%)
Available Operating Cash Flow[1]	£109.6m	£143.8m	(24%)
Net Debt[1]	£590.5m	£637.2m	7%
Leverage Ratio[1]	4.7x	5.4x	0.7x

Mike Hazell, Saga's Group Chief Executive Officer, said:

"I'm very pleased with the progress Saga has made over the past 12 months. From a trading perspective, we delivered a strong performance, with total underlying profit before tax up 25% and ahead of previous guidance. This was driven by the strength of our Travel businesses, with especially high levels of customer demand for our differentiated ocean and river cruise offers.

"In addition, we took the significant strategic action necessary to reposition the Group for future growth. We completed our strategic review, successfully signed a new 20-year Insurance Broking partnership with wholly owned UK subsidiaries of Ageas SA/NV and agreed the sale of our Insurance Underwriting business. These achievements materially reduce the risk and complexity of the Insurance business going forward and, when combined with our continued strong trading performance, meant that we were able to complete the refinancing of our long-term corporate debt, replacing our 2026 debt maturities with new long-term credit facilities. The new facilities provide us with significant financing headroom and flexibility as we move forward.

"Following the completion of these important objectives, our focus has shifted to the long-term growth plans for the Group, building on our established businesses by continuing to explore complementary partnerships and unlocking new avenues for growth beyond our current business and product lines. All of this will be with our customers' best interests at the forefront of our thinking.

"I would like to thank all our customers for their continued support, and my colleagues for the outstanding contribution they made towards a successful year. The foundations for growth are now in place and we are already making tangible progress. By continuing to be a delivery-focussed business, with our customers always front of mind, I am confident that the plans we have in place will step change our financial performance within the next five years, delivering a business with annual underlying profits of at least £100.0m, strong cash generation and leverage of less than 2.0x EBITDA."

[1] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Strategic and operational progress

- Following the agreement we signed with wholly owned UK subsidiaries of Ageas SA/NV (**Ageas**) in December 2024, the work to transition to our new 20-year motor and home insurance partnership is on track for the new arrangement to go live in Q4 2025.
- A new Insurance Broking leadership team is now in place, led by Lloyd East as Chief Executive Officer (**CEO**). They are now working to successfully transition to the new partnership and maximise the opportunities it presents in the future.
- The sale of our Insurance Underwriting business, Acromas Insurance Company Limited (**AICL**) is on track and expected to complete in Q2 2025, subject to regulatory approval. That application has been submitted and is in progress.
- The combination of these actions will transform our approach to motor and home insurance. Ageas will undertake the underwriting and pricing risk that previously drove significant volatility in our profitability and cash generation. They will also be responsible for delivering the operational administration of customer policies which has, to date, introduced significant cost and complexity into our operations. Saga, in turn, will focus on marketing, brand management and customer insight, leveraging our core strengths in these areas.
- Building on the continued success of our Travel[2] businesses, we consolidated the leadership structures into one management team, led by Nigel Blanks, previously CEO of our Cruise business. This move allows us to build on the significant demand for our travel products, deliver further improvements to our customer proposition and unlock operational synergies across the Cruise and Holidays[2] businesses.
- Following the successful refinancing of the Group's corporate debt, the transition to a new capital structure is complete. 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**) materially enhance liquidity, provide additional flexibility and give funding certainty, as we execute the next phase of our growth plans, with no mandatory repayments for the next six years.

Financial highlights

- Total Underlying Revenue[3] increased 5%, to £768.2m, driven primarily by growth across our Travel[2] businesses. On a statutory basis, excluding our discontinued operations but including non-cash technical accounting adjustments and one-off impacts, statutory revenue was 4% higher than in the prior year, at £588.3m.
- This resulted in growth in Trading EBITDA[3] of 18%, from £116.5m in the previous year, to £137.1m.
- The Group delivered a total Underlying Profit Before Tax[3] £47.8m, a 25% increase when compared with the £38.2m reported in the previous year.
- After excluding our discontinued Insurance Underwriting operations, alongside the associated accounting adjustments, Underlying Profit Before Tax[3] from continuing operations was £37.2m, 8% higher than the £34.3m in the year before.
- The loss before tax from continuing operations was £160.2m, reflecting the impairment of assets, including the previously reported Insurance Broking goodwill impairment and those that will no longer deliver economic benefit under the new Insurance partnership, alongside restructuring costs and other exceptional items.
- Available Operating Cash Flow[3] was £109.6m, which compares with £143.8m in the prior year, reflecting the expected lower contribution from Insurance Broking and reduced dividends from Insurance Underwriting, alongside the one-off prior year benefit from River Cruise and Holidays[2] moving to an escrow arrangement.
- Net Debt[3], at 31 January 2025, was £590.5m, £46.7m lower than at 31 January 2024. As a result, and in combination with growing Trading EBITDA[3], the total Leverage Ratio[3] improved to 4.7x, from 5.4x in the previous year.

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[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] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

- At the same date, the Group held £79.3m of Available Cash[4], in addition to further 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.
- Following the year end, the new £335.0m term loan facility provided by HPS Funds was drawn to repay the £250.0m bond maturing in July 2026 and the £75.0m drawn portion of the loan facility provided by Roger De Haan. Alongside this, the Group's existing £50.0m RCF was cancelled and replaced with a £50.0m RCF provided by HPS Funds, together with, a £100.0m delayed-draw term loan, offering incremental liquidity.

Outlook

Building on the progress we made in 2024/25, the coming year will be one of transition. Our Travel[5] businesses will deliver further growth, supported by their strong forward bookings position. Alongside this, we will continue to prepare for the sale of our Insurance Underwriting business, AICL, and the move to the new partnership arrangement with Ageas. A material increase in financing costs in 2025/26 will mean that we expect the Group to generate an Underlying Profit Before Tax[4] below that of 2024/25, before returning to growth thereafter. At the same time, we expect to make further progress in reducing Net Debt[4] during the course of 2025/26, with the reduction expected to accelerate thereafter.

Our vision is to be the most-trusted brand for older people in the UK, supported by the quality of products and the service we deliver to our customers. The actions taken over the past 12 months put us in a strong position to deliver this vision and, in turn, create sustainable growth and value for our shareholders. We are delivering on the commitments we made and are confident that our growth strategy, built on detailed five-year plans, will take underlying profit to at least £100.0m and leverage to below 2.0x EBITDA within that timeframe.

END

Management will hold a presentation for analysts and investors at 9.30am today. The webcast can be accessed by registering at www.investis-live.com/saga-group/67cee0ebeeffcd000f58857f/utret and a copy of the presentation slides is available at www.corporate.saga.co.uk/investors/results-reports-presentations/.

A separate live presentation for retail investors will be held via the Investor Meet Company platform on 10 April 2025 at 9.30am. The presentation is open to all existing and potential investors. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9.00am on 9 April 2025, or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and follow Saga plc via www.investormeetcompany.com/saga-plc/register-investor. Investors who already follow Saga plc on the Investor Meet Company platform will automatically be invited.

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Notes to editors

Saga is a specialist in the provision of products and services for people over 50. The Saga brand is one of the most recognised and trusted in the UK. Saga is known for its high level of customer service and its high-quality, award-winning products and services including cruises and holidays, insurance, personal finance and publishing.
www.saga.co.uk

[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'

Divisional performance

Travel[1] – Increasing customer demand drives growth across all key metrics

Our Travel[1] businesses, which comprise Ocean Cruise, River Cruise and Holidays[1], had an outstanding year and, when combined, generated Underlying Revenue[2] of £453.9m, 9% higher than the prior year.

Ocean Cruise

- Ocean Cruise reported an Underlying Profit Before Tax[2] of £48.9m, a 38% increase when compared with the £35.5m in the previous year.
- Underlying Revenue[2] increased 10% to £236.7m, supported by a load factor of 91% and per diem of £357, a 3ppt and 8% increase, respectively, when compared with last year.
- Following another exceptional year, Trading EBITDA[2] increased 19%, to £89.2m, compared with £74.8m in 2023/24.

River Cruise

- River Cruise reported an Underlying Profit Before Tax[2] of £4.0m, a 33% increase, when compared with the £3.0m reported in the previous year.
- River Cruise revenue, of £49.4m, was 13% higher than the prior year, supported by a load factor increase, from 85% to 89%, and a per diem increase, from £285 to £326.

Holidays[1]

- Our Holidays[1] business delivered significant growth year on year, reporting a step change in Underlying Profit Before Tax[2], which was £10.7m, compared with £1.5m in the previous year.
- Revenue[3], on a comparable basis, increased 19% when compared with the prior year, to £167.8m, while passengers[3] increased 9% to 54.8k on the same basis.

Insurance – Continuation of first half trends, with result in line with guidance

Insurance Broking

- Insurance Broking reported a total earned Underlying Profit Before Tax[2] of £14.4m, compared with £39.8m in the previous year, reflecting the continued challenging insurance environment. For our continuing operations, excluding the accounting adjustments arising from the Group operating an Insurance Underwriting business, Underlying Profit Before Tax[2] was £14.5m, which compares with £34.5m in the prior year.
- As expected, the trends from the first half of the year continued into the second half. These included the reduced competitiveness of our motor insurance, arising from market-wide price reductions out-pacing those from our panel of underwriters, and inflationary pressures in home insurance.
- When combined with the fewer policies available for renewal coming into the year, arising from lower policy sales in the prior year, the total number of policies in force across all products at 31 January 2025, was 1.3m, 15% behind the prior year. Policy sales for the period were also 14% behind.

Insurance Underwriting

- Insurance Underwriting, which is classified as a discontinued operation following the agreement of its sale to Ageas, reported an Underlying Profit Before Tax[2] of £10.7m, a £12.1m improvement year on year, reflecting the pricing action taken to mitigate motor claims inflation.
- The net current year combined operating ratio continued to improve, standing at 100.7%, 16.4ppts lower when compared with the 117.1% in the prior year.

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[2] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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

Wider progress

- Our Publishing strategy continued to play a powerful role in customer engagement as we built on our award-winning magazine, with insightful content on our new website, which now regularly attracts over 1.0m monthly visits.

- Alongside this, we further extended our customer engagement through our digital newsletters, curated by our Publishing team. These newsletters provide regular touch points with our customers, with insightful and useful content, including travel, personal finance and broader lifestyle topics. We now send 10.7m of these regular newsletters each month to 1.4m customers and are seeing industry-leading open rates, averaging around 46%, which demonstrates the value our customers attribute to such relevant and curated content.

- Our extensive database continues to be one of our most valuable assets and, at 31 January 2025, included 9.4m individuals, with contact details for 7.8m of them, following the actions taken to drive more meaningful engagement.

- Our colleagues remain at the heart of our success and we were delighted that Saga was ranked as the sixth best employer in the UK (of the 500 companies examined) by the Financial Times, following an independent survey, which sampled around 20,000 employees. Our own internal colleague surveys supported this, showing that colleague engagement increased from 6.6 out of 10 last year, to 7.9, a testament to the work we are doing to make Saga a great place to work and the difference this is making.

Chairman's Statement

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.

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, have both 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.

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, positioning it for growth. We wish them well in their future endeavours.

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[3] Restated to exclude the revenue and passengers from our discounted Titan third-party river cruise offering in the prior year

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
8 April 2025

[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'

Group Chief Executive Officer's Strategic Review

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**).

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.

[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 85-88 for definition and explanation

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.

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[3], which grew from £1.5m in the prior year, to £10.7m.

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[5] Restated to exclude the revenue and passengers from our discontinued Titan third-party river cruise offering in the prior year

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[6] over the past couple of years, we made the decision to consolidate the leadership across Cruise and Holidays[6], with the Holidays[6] business now being led by our Chief Executive Officer (**CEO**) of Cruise, now the CEO of Travel[6]. This move will more closely align the customer experience between the two businesses, deliver operational synergies and better position both businesses for further growth.

<u>Insurance</u>

For the year ended 31 January 2025, Insurance Broking reported a total Underlying Profit Before Tax[7] 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[7] 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.

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.

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.

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[6] 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'

[7] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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[8] 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.

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 the actions 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 44% in the prior year.

[8] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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[9] was £590.5m, £46.7m lower than 31 January 2024 and included within this was £79.3m of Available Cash[9]. As a result of our reduced Net Debt[9] position, alongside growth in Trading EBITDA[9], 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.

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[9], while reducing the Leverage Ratio[9] 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
8 April 2025

[9] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Group Chief Financial Officer's Review

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.

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[1] Refer to the Alternative Performance Measures Glossary on pages 85-88 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;
- a 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 85-88 for definition and explanation
[3] Net finance costs exclude Ocean Cruise and Insurance Underwriting finance costs and Travel net fair value losses on derivatives

Loss before tax

The 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.

The 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 85-88 for definition and explanation

Travel

£m	Ocean Cruise	River Cruise	Holidays	Total Travel	*Change*	Ocean Cruise	River Cruise	Holidays	Total Travel
	12m to Jan 2025					12m to Jan 2024			
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%.

[5] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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.

	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

Insurance

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.

£m	**12m to Jan 2025** Motor broking	Home broking	Other broking	Total	*Change*	12m to Jan 2024 Motor broking	Home broking	Other broking	Total
Gross Written Premiums[6]									
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[6]	**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[6]	**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[6]	**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[6]	**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[7]	40.7%				*7.1ppts*	33.6%			
Reconciliation to continuing operations:									
Earned Underlying Profit/(Loss) Before Tax[6]	**1.4**	**2.1**	**10.9**	**14.4**	**(63.8%)**	**(4.9)**	**19.7**	**25.0**	**39.8**
Written Underlying Profit Before Tax[6] 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[6] from continuing operations	**1.2**	**2.1**	**11.2**	**14.5**	***(58.0%)***	**(10.2)**	**19.7**	**25.0**	**34.5**

Insurance Broking written Underlying Profit Before Tax[6], 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[6] 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[6], 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[6] fell by £22.2m in home and £7.1m in other broking, partially offset by an increase in motor of £6.7m.

[6] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

[7] Third-party underwriter's share of the motor panel for policies

For motor and home insurance, in terms of the total Written Gross Profit After Marketing Expenses[8], 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[8] 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[8] 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[8], 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[8] 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[8] 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[8] 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[8] 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[8] 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[8] decreasing by £ 3.5m.

[8] Refer to the Alternative Performance Measures Glossary on pages 85-88 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[9]	**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[9]		**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[9] 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.

[9] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Other Businesses and Central Costs

£m	12m to Jan 2025 Other Businesses	Central Costs	Total	*Change*	12m to Jan 2024 Other Businesses	Central Costs	Total
Underlying Revenue[10]							
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[10]	**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[10] 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[10] 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.

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.

[10] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Cash flow and liquidity

Available Operating Cash Flow[11]

£m	12m to Jan 2025	*Change*	12m to Jan 2024
Group Trading EBITDA[11]	137.1	*17.7%*	116.5
Less Trading EBITDA[11] from restricted businesses	(34.3)	*(411.9%)*	(6.7)
Group Trading EBITDA[11, 12] 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[11]	(18.4)	*27.8%*	(25.5)
Available Operating Cash Flow[11]	**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[11] at 31 January	**79.3**	***(53.3%)***	**169.8**

£m	12m to Jan 2025	*Change*	12m to Jan 2024
Available Operating Cash Flow[11] 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[11]	**109.6**	***(23.8%)***	**143.8**

Available Operating Cash Flow[11] 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[11] fell from £143.8m in the prior year to £109.6m the current year.

The Ocean Cruise business reported an Available Operating Cash Flow[11] 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.

[11] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

[12] 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

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[13] 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.

<u>Other cash flow movements</u>

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.

[13] Refer to the Alternative Performance Measures Glossary on pages 85-88 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[14].

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			
	AAA	**AA**	**A**	**BBB**	**Unrated**	**Total**
At 31 January 2025	**£m**	**£m**	**£m**	**£m**	**£m**	**£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			
	AAA	AA	A	BBB	Unrated	Total
At 31 January 2024	£m	£m	£m	£m	£m	£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**

[14] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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.

Financing

At 31 January 2025, the Group's Net Debt[15] was £590.5m, £46.7m lower than at the start of the financial year. Net Debt[15] is analysed as follows:

£m	Maturity date[16]	**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[15,17]		(79.3)	(169.8)
Net Debt[15]		**590.5**	**637.2**

Financial covenant compliance

The Group's Leverage Ratio[15], 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[15]	590.5	637.2
Adjusted Trading EBITDA[15]	126.0	117.5
Leverage Ratio[15]	**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[15]	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[15]	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[15]	103.9	80.3
ST&H Group consolidated total net cash interest expenses	13.1	15.0
Interest cover ratio	**7.9x**	**5.4x**

[15] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation
[16] Maturity date represents the date that the principal must be repaid, other than the Ocean Cruise ship loans, which are repaid in instalments
[17] Refer to Note 12 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[18] test to now be conducted on a Group basis, including the Net Debt[18] and Trading EBITDA[18] in relation to Ocean Cruise.
- Reduction in the Leverage Ratio[18] 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[18], 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.

[18] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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.

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 issue of these unaudited preliminary results 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[19] 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[19] covenant attached to its new £50.0m RCF. It also expects to remain below the 8.0x Leverage Ratio[19] 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 these unaudited preliminary results to 31 January 2025 on a going concern basis.

[19] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

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
8 April 2025

[20] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Principal risks and uncertainties

The principal risks and uncertainties (**PRUs**) shown below are the principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. The table also includes the mitigating actions being 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 plc Board. Each PRU has been aligned to the most relevant strategic priorities.

Key to growth plan elements[1]

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

Risk	Risk trend	Risk category	Link to strategy	Mitigation
Insurance pricing underwriting and claims risk 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.	Stable	Operational and Insurance	1	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.
Cyber 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.	Improving	Operational	1	Robust vulnerability management programme, including controls to actively detect and respond to incidents, industry benchmarking and external penetration testing to maintain security posture.
Regulatory action 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.	Improving	Operational	1	Robust controls, governance and reporting is in place to ensure regulatory compliance and that good customer outcomes are achieved.
Third party suppliers 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.	Stable	Operational	1, 2 and 3	Robust supplier risk management framework ensures third-party partners are appropriately selected and monitored, including their operational and financial resilience.
Delivery and execution 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.	Improving	Operational	1, 2 and 3	Robust change governance to ensure achievement of strategically significant change.

1 Since the year end, the strategic pillars evolved as we now focus on 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

Risk	Risk trend	Risk category	Link to strategy	Mitigation
Liquidity risk/debt refinancing 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.	Improving	Financial	2 and 4	Robust financial controls and reporting to assess liquidity and support early identification of potential risks to Group. Refinancing the Group's corporate debt has reduced the risk exposure.
Breach of Data Protection Act /General Data Protection Regulation 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.	Improving	Operational	1 and 3	Robust controls, governance and reporting is in place to ensure compliance.
Organisational resilience 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.	Stable	Operational	1, 3 and 4	Defined strategy and plans to maintain organisational resilience, including response and recovery planning, capability and coordination plans, testing and crisis management tools.
Capability and capacity 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.	Improving	Operational	1, 2 and 4	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.
Fraud and financial crime 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.	Stable	Operational	1	Financial crime framework and robust controls, which are rigorously monitored and reported on.
Environmental, Social and Governance (ESG) 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.	Stable	Strategic and operational	1 and 3	Actively delivering against the ESG strategy, with robust governance controls for ESG. Ongoing monitoring and reporting against all targets to the ESG Governance forums.

Consolidated income statement
for the year ended 31 January 2025

	Notes	2025 (unaudited) £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		–	5.0
Administrative and selling expenses		(231.8)	(238.7)
Increase in credit loss allowance		(1.8)	(1.1)
Impairment of non-financial assets		(162.8)	(113.3)
Gain on lease modification		0.2	–
Net profit/(loss) on disposal of property, plant and equipment and software		0.9	(0.5)
Investment income		6.1	6.6
Finance costs		(50.5)	(44.4)
Loss before tax from continuing operations		**(160.2)**	**(123.8)**
Tax (charge)/credit	4	(18.5)	15.8
Loss from continuing operations		**(178.7)**	**(108.0)**
Profit/(loss) from discontinued operations, net of tax[2]	18a	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	6	(117.4p)	(80.8p)
Diluted	6	(117.4p)	(80.8p)
Loss per share from continuing operations:			
Basic	6	(127.2p)	(77.2p)
Diluted	6	(127.2p)	(77.2p)

[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 18a)

[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 18a

Consolidated statement of comprehensive income for the year ended 31 January 2025

	Notes	**2025 (unaudited) £m**	2024 £m
Loss for the year		**(164.9)**	**(113.0)**
Other comprehensive income			
Other comprehensive income to be reclassified to the income statement in subsequent years from continuing operations			
Net gains/(losses) on hedging instruments during the year	11	6.0	(1.3)
Recycling of previous (gains)/losses to the income statement on matured hedges	11	(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 not to be reclassified to the income statement in subsequent years from continuing operations			
Remeasurement gains/(losses) on defined benefit plans		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)

Consolidated statement of financial position at 31 January 2025

Assets	Notes	**2025 (unaudited) £m**	2024 £m
Goodwill	7	206.4	344.7
Intangible assets	8	34.3	60.7
Property, plant and equipment	9	582.8	593.4
Right-of-use assets	10	24.9	24.6
Financial assets	11	12.6	252.2
Current tax assets		0.4	4.8
Deferred tax assets	4	–	49.4
Reinsurance contract assets	14	–	173.2
Inventories		8.3	8.1
Trade and other receivables		143.7	127.7
Trust and escrow accounts		8.8	37.9
Cash and short-term deposits	12	129.2	188.7
Assets held for sale	18	436.9	17.4
Total assets		**1,588.3**	**1,882.8**
Liabilities			
Retirement benefit scheme liability	13	39.8	47.9
Insurance contract liabilities	14	–	399.3
Provisions		21.7	8.0
Financial liabilities	11	690.1	828.4
Deferred tax liabilities	4	–	14.6
Contract liabilities		176.8	159.8
Trade and other payables		255.3	201.3
Liabilities directly associated with assets held for sale	18a	346.9	–
Total liabilities		**1,530.6**	**1,659.3**
Equity			
Issued capital	16	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**

Consolidated statement of changes in equity for the year ended 31 January 2025

	Attributable to the equity holders of the parent (unaudited)						
	Issued capital £m	**Share premium £m**	**Own shares held reserve £m**	**Retained (deficit)/ earnings £m**	**Share-based payment reserve £m**	**Hedging reserve £m**	**Total equity £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 16)	0.2	–	(0.2)	–	–	–	–
Share-based payment charge (Note 17)	–	–	–	–	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**

	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 equity £m
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 16)	0.2	–	–	–	–	–	0.2
Share-based payment charge (Note 17)	–	–	–	–	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**

Consolidated statement of cash flows
for the year ended 31 January 2025

	Notes	2025 (unaudited) £m	2024 £m
Loss before tax from continuing operations		(160.2)	(123.8)
Profit/(loss) before tax from discontinued operations	18a	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	18b	0.4	10.4
Gain on lease modification		(0.2)	–
Share-based payment transactions		4.2	3.4
Net finance expense from insurance contracts	14	15.5	3.5
Net finance income from reinsurance contracts	14	(7.3)	(1.9)
Finance costs		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, 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	7	–	–
Net cash flows from investing activities		**14.8**	**18.0**
Financing activities			
Payment of principal portion of lease liabilities		(7.3)	(11.6)
Proceeds from new borrowings		95.0	–
Repayment of borrowings		(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	13	**203.1**	**219.6**

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 under the Companies Act 2006 (registration number 8804263). The Company is registered in England and its registered office is 3 Pancras Square, London N1C 4AG.

The consolidated financial statements of Saga plc and the entities controlled by the Company (its subsidiaries, collectively **Saga Group** or the **Group**) for the year ended 31 January 2025 will be approved by the Board of Directors and reported on by the auditors, KPMG LLP (**KPMG**), in April 2025. Accordingly, the financial information for the year ended 31 January 2025 is presented unaudited in this preliminary announcement.

2.1 Basis of preparation

The results in this preliminary announcement have been taken from the Group's 2025 unaudited Annual Report and Accounts. The unaudited consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards.

The basis of preparation, basis of consolidation and summary of material accounting policies applicable to the Group's consolidated financial statements will be published in the Notes to the consolidated financial statements in the 2025 Annual Report and Accounts.

The unaudited consolidated financial statements have been prepared on a going concern basis and on a historical cost basis, except as otherwise stated. The Group has reviewed the appropriateness of the going concern basis in preparing the unaudited financial statements, details of which are included below. Based on those assumptions, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements.

The preliminary announcement for the year ended 31 January 2025 does not constitute the Company's consolidated statutory accounts for the years ended 31 January 2025 or 31 January 2024. The consolidated statutory accounts for the year ended 31 January 2024 have been delivered to the registrar of companies. KPMG reported on the consolidated financial statements for the full year ended 31 January 2024; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006. The consolidated statutory accounts for 31 January 2025 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

Notes to the consolidated financial statements (continued)

2.1 Basis of preparation (continued)

a) 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 issue of these unaudited preliminary results 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 these unaudited preliminary results to 31 January 2025 on a going concern basis.

[3] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Notes to the consolidated financial statements (continued)

2.2 Summary of material accounting policies

There have been no significant changes to the accounting policies of the Group during the year ended 31 January 2025. Full details of the accounting policies of the Group will be published in the Annual Report and Accounts for the year ended 31 January 2025 available at www.corporate.saga.co.uk.

2.3 Standards issued but not yet effective

The following is a list of standards, and amendments to standards, that are in issue but are 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) International Financial Reporting Standard (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; 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.

2.4 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 'Revenue from Contracts with Customers' 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.

Notes to the consolidated financial statements (continued)

2.5 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.

Accounting policy references below are to the Notes to the Annual Report and Accounts for the year ended 31 January 2025.

a) 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 has 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 approach to revenue recognition for each performance obligation.
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.

Notes to the consolidated financial statements (continued)

2.5 Significant accounting judgements, estimates and assumptions (continued)

a) Significant judgements (continued)

Acc. policy	Items involving judgement	Critical accounting judgement
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 market study (**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 cash generating unit (**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)

2.5 Significant accounting judgements, estimates and assumptions (continued)

a) Significant judgements (continued)

Acc. policy	Items involving judgement	Critical accounting judgement
2.3h (cont.)	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 premium allocation approach (**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 has 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.

2.5 Significant accounting judgements, estimates and assumptions (continued)

a) Significant judgements (continued)

Acc. policy	Items involving judgement	Critical accounting judgement
2.3r (cont.)	Insurance contract liabilities (and related reinsurance contract assets) (continued)	<u>Liability for incurred claims</u> 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 arises 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 has 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.

2.5 Significant accounting judgements, estimates and assumptions (continued)

a) Significant judgements (continued)

Acc. policy	Items involving judgement	Critical accounting judgement
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.

2.5 Significant accounting judgements, estimates and assumptions (continued)

b) 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.

Accounting policy references below are to the Notes to the Annual Report and Accounts for the year ended 31 January 2025.

Acc. Policy	Items involving estimation	Sources of estimation uncertainty
2.3ai	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 Broking division has been estimated using the expected cost plus a margin approach, as set out in paragraph 79 (b) of IFRS 15. An allowance has also been 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, especially the highly competitive motor insurance market and the adverse impact on profit before tax for the current and prior year, has 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.

2.5 Significant accounting judgements, estimates and assumptions (continued)

b) Significant estimates (continued)

Acc. Policy	Items involving estimation	Sources of estimation uncertainty
2.3r	Valuation of insurance contract liabilities (and related reinsurance contract assets)	<u>Estimates of future cash flows to fulfil liabilities for incurred claims</u> 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 incurred but not reported 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 periodical payment order (**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)

2.5 Significant accounting judgements, estimates and assumptions (continued)

b) Significant estimates (continued)

Acc. Policy	Items involving estimation	Sources of estimation uncertainty
2.3r (cont.)	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 British Pounds (**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:

	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%

		The sensitivity of this assumption is shown in Note 20(a)(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.

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 below (see Note 18a for further details).
- **Other Businesses and Central Costs**: comprise 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 with 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 85-88 for definition and explanation

Notes to the consolidated financial statements (continued)

3 Segmental information (continued)

2025 (unaudited)	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 lease accounting 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 85-88 for definition and explanation

3 Segmental information (continued)

2024 (re-presented[6])	Travel £m	Insurance Motor broking £m	Home broking £m	Other broking £m	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)**	**(13.8)**
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**

[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 18a)

[7] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

3 Segmental information (continued)

Analysis of total assets less liabilities by segment:

	2025 (unaudited) £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 18a) are included within the Insurance segment total assets less liabilities figure above.

Total assets less liabilities detailed as adjustments relates to the following unallocated items:

	2025 (unaudited) £m	2024 £m
Goodwill (Note 7)	206.4	344.7
Bonds and the loan facility with Roger De Haan	(325.7)	(400.1)
	(119.3)	**(55.4)**

3 Segmental information (continued)

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 (unaudited)

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 18a)

Notes to the consolidated financial statements (continued)

4 Tax

The major components of the income tax charge/(credit) are:

Continuing operations	**2025 (unaudited) £m**	2024 (re-presented[9]) £m
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	**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[9])) representing a tax effective rate of negative 84.5% before the impairment of goodwill (2024: 83.6% (re-presented[9])). 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.

Adjustments in respect of previous years includes 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.

Reconciliation of net deferred tax assets

	2025 (unaudited) £m	2024 (re-presented[9]) £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 other comprehensive income (**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 18a)	0.4	–
At 31 January	**-**	**34.8**

Net deferred tax assets, reflected at 25%, 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 companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group. They have arisen due to the Group's Ocean Cruise business being in the tonnage tax regime, 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 at 31 January 2025, for the same reason as 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.

[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 18a)

Notes to the consolidated financial statements (continued)

5 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 15). In addition, under the terms of the RCF and the loan facility with Roger De Haan, dividends also remain restricted.

6 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 (unaudited) £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)**

Notes to the consolidated financial statements (continued)

6 Loss per share (continued)

The table below reconciles between basic loss per share and Underlying Basic Earnings Per Share[10].

	2025 (unaudited)	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 goodwill	98.4p	75.0p
Disposal costs relating to the Big Window	–	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	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[10]	**23.2p**	**30.0p**

[10] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Notes to the consolidated financial statements (continued)

7 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 (unaudited)	2024
	£m	£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).

Notes to the consolidated financial statements (continued)

7 Goodwill (continued)

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 (unaudited)	31 July 2024	31 January 2024	**31 January 2025 (unaudited)**	31 July 2024	31 January 2024	**31 January 2025 (unaudited)**	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)

8 Intangible assets

During the year, the Group capitalised £12.1m (2024: £21.7m) of software assets, disposed of assets with a net book value of £nil (2024: £0.3m), reclassified to assets held for sale assets with a net book value of £nil (Note 18a) (2024: £nil) and charged £38.5m of amortisation and impairment to its other intangible assets (2024: £12.0m).

Impairment review of other intangible assets

Following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 18a), 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 18a). 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). 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, were required in the Group's Insurance Broking and Central Costs divisions respectively.

9 Property, plant and equipment

During the year, the Group capitalised assets with a cost of £6.9m (2024: £2.1m), reclassified from assets held for sale assets with a net book value of £6.0m (2024: £3.4m), disposed of assets with a net book value of £0.2m (2024: £0.2m) and charged £23.3m of depreciation and impairment to its property, plant and equipment (2024: £22.9m).

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 is 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.

10 Right-of-use assets

During the year, the Group capitalised assets with a cost of £8.0m (2024: £5.9m), disposed of assets with a net book value of £nil (2024: £nil), reduced net book value for effect of modification of lease terms by £0.3m (2024: £nil) and charged £7.4m of depreciation and impairment to its right-of-use assets (2024: £12.0m).

The total cash outflow for leases amounted to £9.4m (2024: £13.6m).

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.

Notes to the consolidated financial statements (continued)

11 Financial assets and financial liabilities

a) Financial assets

	2025 (unaudited)	2024
	£m	£m
Fair value through profit or loss (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 18a)	**(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 (unaudited)	2024
	£m	£m
Total financial assets (as above and presented on the face of the statement of financial position)	12.6	252.2
Trade receivables	99.7	81.4
Other receivables	7.0	12.2
Cash and short-term deposits (Note 12)	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 18a)), 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.

Notes to the consolidated financial statements (continued)

11 Financial assets and financial liabilities (continued)

b) Financial liabilities

	2025 (unaudited)	2024
	£m	£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 with Roger De Haan (Note 15)	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 18a)	**(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 (unaudited)	2024
	£m	£m
Total financial liabilities (as above and presented on the face of the statement of financial position)	690.1	828.4
Trade payables	145.5	139.3
Other payables	9.0	9.0
Accruals	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 15) at 31 January 2025 was £249.7m (2024: £356.3m). The fair value of the Group's Ocean Cruise ship loans (Note 15) 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)

11 Financial assets and financial liabilities (continued)

c) Fair value hierarchy

	At 31 January 2025 (unaudited)				At 31 January 2024			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
	£m	£m	£m	**£m**	£m	£m	£m	**£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 with 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**

11 Financial assets and financial liabilities (continued)

d) Other information

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.

The Group operates a programme of economic hedging against its foreign currency and fuel oil exposures. During the year, the Group designated 258 (2024: 126) foreign exchange forward currency contracts as hedges of highly probable foreign currency cash expenses in future periods and designated 20 (2024: 37) fuel oil swaps as hedges of highly probable fuel oil purchases in future periods. At 31 January 2025, the Group has designated 259 (2024: 208) forward currency contracts and 35 (2024: 65) fuel oil swaps as hedges.

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 4 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)

12 Cash and cash equivalents

	2025 (unaudited) £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 business	36.2	130.9
Cash and short-term deposits	**129.2**	**188.7**
Money market funds (Note 11a)	-	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 business (included within discontinued operations (Note 18a), and River Cruise and Holidays businesses, which are subject to contractual or regulatory restrictions. 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[11] 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.

13 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[12])). The assets of these schemes are held separately from those of the Group in funds under the control of trustees.

[11] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

[12] The comparative for the year ended 31 January 2024 has been restated from the figure previously reported of £11.6m because it included employee contributions of £5.7m in error

Notes to the consolidated financial statements (continued)

13 Retirement benefit schemes (continued)

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 fair value of the assets and present value of the obligations of the Saga defined benefit scheme are as follows:

	2025 (unaudited)	2024
	£m	£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 have been 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 has been partially offset by the 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 latest 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.

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 likely impact due to the court ruling. However, the Group has 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.

14 Insurance contract liabilities and reinsurance 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 18a):

	Liabilities for remaining coverage (unaudited)		Liabilities for incurred claims (unaudited)		
	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 18a)	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 18a)	(22.7)	14.3	(124.3)	8.4	(124.3)
Insurance finance expense (Note 18a)	–	–	(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 18a)	**(46.3)**	**(1.8)**	**(235.9)**	**(33.7)**	**(317.7)**

14 Insurance contract liabilities and reinsurance assets (continued)

a) Reconciliation of opening and closing balances (continued)

	Assets for remaining coverage (unaudited)		Amounts recoverable on incurred claims (unaudited)		
	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 18a)	(17.1)	(1.3)	(41.7)	(7.1)	(67.2)
Reinsurance finance income (Note 18a)	–	–	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 18a)	**(9.3)**	**–**	**88.9**	**28.2**	**107.8**

Notes to the consolidated financial statements (continued)

14 Insurance contract liabilities and reinsurance 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 18a)	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 18a)	(26.0)	(7.7)	(211.3)	(4.2)	(249.2)
Insurance finance expense (Note 18a)	–	–	(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)**

14 Insurance contract liabilities and reinsurance assets (continued)

a) Reconciliation of opening and closing balances (continued)

	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 18a)	(17.0)	(1.4)	52.6	6.0	40.2
Reinsurance finance income (Note 18a)	–	–	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**

14 Insurance contract liabilities and reinsurance assets (continued)

b) 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 has 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.

i) Gross claims development

Gross loss occurring in financial years ending:	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	2025 (unaudited) £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**

ii) Net claims development

Net loss occurring in financial years ending:	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	2025 (unaudited) £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**

Notes to the consolidated financial statements (continued)

15 Loans and borrowings

	2025 (unaudited)	2024
	£m	£m
Bonds	250.0	400.0
Ocean Cruise ship loans	344.8	407.0
Loan facility with 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**

a) Bonds, RCF and loan facility with 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 with Roger De Haan (expiring 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 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 below), and drawing down on these on 27 February 2025, the 2026 bond was repaid in full, cancelled and de-listed following the year end.

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[13].

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[13] (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[13] covenant 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.

[13] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

15 Loans and borrowings (continued)

a) Bonds, RCF and loan facility with Roger De Haan (continued)

ii) RCF (continued)

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[14] 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 18a).

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[14] to Adjusted Trading EBITDA[14] 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[14] to Adjusted Trading EBITDA[14] at 31 January 2025 was 4.7x (2024: 5.4x) and interest cover was 4.3x (2024: 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 has been cancelled in full following the year end.

iii) Loan facility with Roger De Haan

In April 2023, the Group entered into a forward starting loan facility agreement with 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.

[14] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

15 Loans and borrowings (continued)

a) Bonds, RCF and loan facility with Roger De Haan (continued)

iii) Loan facility with Roger De Haan (continued)

In September 2023, the Group agreed an increase and extension to the existing loan facility with 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 with 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 18a).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility with Roger De Haan. Accrued interest payable on the loan facility with 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 with Roger De Haan was repaid and cancelled in full following the year end.

15 Loans and borrowings (continued)

a) Bonds, RCF and loan facility with Roger De Haan (continued)

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 Saga Mid Co Limited, with 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 with 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 the Group net Leverage Ratio[15] (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[15] to Adjusted Trading EBITDA[15] 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[15] to Adjusted Trading EBITDA[15] 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 with Roger De Haan, and the existing £50.0m RCF (see above).

[15] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

15 Loans and borrowings (continued)

b) 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.

15 Loans and borrowings (continued)

c) 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 with Roger De Haan, being 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 with 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 agreement with Roger De Haan, as disclosed above, and net fair value losses on derivatives of £0.3m (2024: £1.4m).

16 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 (unaudited)	**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 Employee Benefit Trust (**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.

17 Share-based payments

The Group granted a number of different equity-based awards that it has determined to be share-based payments. New awards granted during the year were as follows:

a) 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.

b) 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.

c) 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

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 has been charged to administrative and selling expenses.

18 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 a 20-year partnership for motor and home insurance (the **Affinity Partnership**).

In addition, the Group announced that Ageas will acquire its Insurance Underwriting business, Acromas Insurance Company Limited (**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 completed in the second quarter of 2025.

The profit/(loss) before tax in the income statement in respect of discontinued operations comprises:

	2025 (unaudited)	2024
	£m	£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 (unaudited)	2024
	£m	£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 (unaudited)	2024
Basic and diluted earnings/(loss) per share from discontinued operations	**9.8p**	**(3.6p)**

Notes to the consolidated financial statements (continued)

18 Discontinued operations and assets held for sale (continued)

a) Discontinued operations (continued)

'Disposal group eliminations and adjustments' referred to in the tables below comprise:

- the Group adopted IFRS 17 'Insurance Contracts' 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; and
- inter-group transactions with the disposal group were eliminated on consolidation.

18 Discontinued operations and assets held for sale (continued)

a) Discontinued operations (continued)

i) Results of the disposal group for the year

	Notes	Disposal group (unaudited) £m	Disposal group eliminations and adjustments (unaudited) £m	2025 (unaudited) £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	14	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	14	(101.5)	(22.8)	(124.3)
Net expense from reinsurance contracts	14	(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	14	(15.5)	–	(15.5)
Net finance income from reinsurance contracts	14	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 (unaudited) £m	Disposal group eliminations and adjustments (unaudited) £m	2025 (unaudited) £m
Reconciliation to Underlying Profit/(Loss) Before Tax[16]			
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[16]	**12.0**	**(1.4)**	**10.6**

[16] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

18 Discontinued operations and assets held for sale (continued)

a) Discontinued operations (continued)

i) Results of the disposal group for the year (continued)

	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	14	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	14	(227.4)	(21.8)	(249.2)
Net income from reinsurance contracts	14	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	14	(3.5)	–	(3.5)
Net finance income from reinsurance contracts	14	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[17]			
(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 provisions	11.7	(2.6)	9.1
Impairment of assets	3.1	–	3.1
Restructuring costs	1.4	–	1.4
Underlying (Loss)/Profit Before Tax[17]	**(1.6)**	**5.5**	**3.9**

[17] Refer to the Alternative Performance Measures Glossary on pages 85-88 for definition and explanation

Notes to the consolidated financial statements (continued)

18 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:

Assets	Note	Disposal group (unaudited) £m	Disposal group eliminations and adjustments (unaudited) £m	Book value (unaudited) £m
Intangible assets	8	–	–	–
Financial assets	11a	241.6	–	241.6
Deferred tax assets	4	7.8	3.0	10.8
Reinsurance contract assets	14	108.5	(0.7)	107.8
Trade and other receivables		69.0	(15.9)	53.1
Cash and short-term deposits	12	12.6	–	12.6
Total assets classified as held for sale		**439.5**	**(13.6)**	**425.9**
Liabilities				
Insurance contract liabilities	14	324.8	(7.1)	317.7
Provisions		0.1	(0.1)	–
Financial liabilities	11b	1.4	–	1.4
Deferred tax liabilities	4	11.2	–	11.2
Contract liabilities		1.2	(1.7)	(0.5)
Trade and other payables		17.1	–	17.1
Provision for loss/costs of disposal		–	–	–
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.

18 Discontinued operations and assets held for sale (continued)

a) Discontinued operations (continued)

iii) Net cash flows of the disposal group

The net cash flows of the disposal group during the year were as follows:

	2025 (unaudited)	2024
	£m	£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 in relation 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.

19 Related party transactions

As set out in Note 15, in April 2023, the Group entered into a forward starting loan facility agreement with Roger De Haan, commencing on 1 January 2024, under which the Group could draw 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 with 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 with 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 wholly owned subsidiaries in the UK of Ageas (Note 18a).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility with Roger De Haan. Accrued interest payable on the loan facility with 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 with Roger De Haan was repaid and cancelled in full following the year end.

20 Events after the reporting period

Since the year end, the Group closed the new credit facilities detailed in Note 15 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 with Roger De Haan. In addition, the existing undrawn £50.0m RCF was cancelled.

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)	*(100.0%)*	-
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.

[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)

Underlying Profit Before Tax (continued)

It is reconciled to statutory loss before tax within the Group Chief Financial Officer's Review on page 14.

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.

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 overleaf), 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**

Alternative Performance Measures Glossary (continued)

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 18.

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 18.

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 6 to the accounts on page 57.

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

Alternative Performance Measures Glossary (continued)

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 12 to the accounts on page 65.

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 26.

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.