

DRIVELINE EUROPE LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

31 JANUARY 2014



DRIVELINE EUROPE LIMITED
Strategic Report

Results and dividends

The profit before tax for the year amounted to £nil (2013 - £nil). After taxation a profit of £nil (2013 - £nil) has been transferred to reserves. No dividends were paid during the year (2013 - £nil).

Principal activity, review of business and future developments

The Company's principal activity was the provision of administrative services to a parent undertaking, Acromas Holidays Limited. These administrative services were provided to Acromas Holidays Limited at cost.

Having given due consideration to recent trading performance and market conditions, on 25th June 2013, the Directors took the decision to cease trading. Accordingly all the results relate to discontinued operations and the accounts have been prepared on a break-up basis. This has had no impact on the measurement of assets or liabilities in these financial statements. The Directors do not envisage liquidating the Company in the foreseeable future.

The Directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

By order of the Board



V Haynes
Secretary
12 August 2014

DRIVELINE EUROPE LIMITED

Directors' report

Directors: A J P Strong (appointed 1 December 2013)
 S M Hooper (resigned 29 November 2013)
 S M Howard (resigned 2 December 2013)
 N A Murray (resigned 30 September 2013)

Secretary: V Haynes (appointed 31 July 2013)
 A P Stringer (resigned 31 July 2013)

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

Company Registration no: 2554477

The Directors submit their report together with the audited financial statements for the year ended 31 January 2014.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic and Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DRIVELINE EUROPE LIMITED
Directors' report (continued)

Disclosure of information to the auditors

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

Relevant audit information is that information needed by the auditor in connection with preparing the report. So far as each director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the Auditors Ernst & Young LLP are deemed re-appointed.

By order of the Board



V Haynes
Secretary
12 August 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRIVELINE EUROPE LIMITED

We have audited the financial statements of Driveline Europe Limited for the year ended 31 January 2014 which comprise the Profit and Loss Account, the Reconciliation of movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities as set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

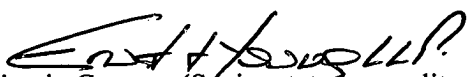
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Benjamin Gregory (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

12 August 2014

DRIVELINE EUROPE LIMITED
Profit and loss account for the year ended 31 January 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	316	601
Administrative and marketing expenses	4	(316)	(601)
Profit on ordinary activities before taxation	3	-	-
Taxation		-	-
Profit on ordinary activities after taxation	10	-	-

All income and expenditure arises from discontinued operations.

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

Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Total recognised gains and losses relating to the year	-	-
Net movement in shareholders' funds	-	-
Shareholders' funds brought forward	11	11
Shareholders' funds carried forward	11	11

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

DRIVELINE EUROPE LIMITED
Balance sheet as at 31 January 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments in subsidiary undertaking	7	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors	8	9	9
		<u>9</u>	<u>9</u>
Net current assets		<u>9</u>	<u>9</u>
		<u>11</u>	<u>11</u>
Total assets less current liabilities		<u>11</u>	<u>11</u>
 Capital and reserves			
Called-up share capital	9	50	50
Profit and loss account	10	(39)	(39)
		<u>11</u>	<u>11</u>
Shareholders' funds		<u>11</u>	<u>11</u>

Signed for and on behalf of the Board by



A J P Strong
 Director
 12 August 2014

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

DRIVELINE EUROPE LIMITED

Notes to the financial statements

1 Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention on a break-up basis, and in accordance with applicable accounting standards as defined in the Companies Act 2006 s.464.

The Company has taken advantage of the exemption under the Companies Act 2006 s.400 not to prepare and deliver group financial statements as it is a wholly owned subsidiary of the ultimate holdings company Acromas Holdings Limited. As such, these financial statements show only the results of the individual company and not the group.

Investments in subsidiaries are accounted for at the lower of cost and net realisable value.

b) Pension benefits

The company operates a UK defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

c) Cash flow statement

The Directors have taken advantage of the exemption available under FRS 1 (Cash flow statements) of the requirement to prepare a cash flow statement as a consolidated cash flow statement has been presented in the financial statements of the ultimate parent undertaking, Acromas Holdings Limited.

d) Turnover

Revenue is recognised when the Company's right to receive payment is established.

2 Turnover

Turnover represents the invoiced amount of staff costs which are recharged in full to a parent undertaking, Acromas Holidays Limited, and is stated net of VAT. All business is carried out in the UK.

DRIVELINE EUROPE LIMITED
Notes to the financial statements (continued)

3 Profit on ordinary activities before taxation

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:-		
Auditors' remuneration - audit of financial statements	<u>1</u>	<u>1</u>

Fees paid to the Company's auditor, Ernst & Young LLP, for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the ultimate parent undertaking, Acromas Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

The fees for the audit of the Company have been borne by a parent undertaking, Acromas Holidays Limited.

4 Staff costs

	2014	2013
	£'000	£'000
Wages and salaries	282	543
Social security costs	29	52
Pension costs	5	6
	<u>316</u>	<u>601</u>

	2014	2013
	No.	No.
The monthly average number of employees during the year was as follows:-		
Sales & marketing	3	4
Operations	7	16
Administration and management	2	8
	<u>12</u>	<u>28</u>

Staff costs are recharged to the parent undertaking, Acromas Holidays Limited.

DRIVELINE EUROPE LIMITED
Notes to the financial statements (continued)

5 Directors remuneration

The remuneration of the Directors of the Company during the year were as follows:

	2014	2013
	£'000	£'000
Remuneration	<u>69</u>	<u>85</u>
	2014	2013
	No.	No.
Members of defined benefit pension scheme	<u>-</u>	<u>2</u>
Members of defined contribution pension scheme	<u>-</u>	<u>1</u>

The Directors remuneration shown above relate to N Murray. Directors' remuneration is recharged to the Company's parent undertaking, Acromas Holidays Limited.

S M Howard is remunerated by Saga Group Limited and AJ P Strong is, and S M Hooper was, remunerated by Acromas Holidays Limited. Saga Group Limited and Acromas Holidays Limited are both fellow subsidiaries of the ultimate holding company, Acromas Holdings Limited. These Directors did not receive any remuneration during the year in respect of their services as a Director of the Company (2013: £nil) and it would not be practicable to apportion their remuneration between their services as Directors of the Company and their services as Directors of other group companies. The total remuneration in respect of these directors borne is £1,098,000 (2013: £1,088,000). The Company has not been recharged any amount for the remuneration of these Directors.

DRIVELINE EUROPE LIMITED
Notes to the financial statements (continued)

6 Pension benefits

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. This was applicable for the prior year 2013.

7 Investment in subsidiary undertaking

	2014	2013
	£'000	£'000
Cost	<u>2</u>	<u>2</u>

The subsidiary undertaking of the Company is Driveline Travel Limited, a company which is wholly owned and registered in England. Driveline Travel Limited did not trade during the year.

8 Debtors

	2014	2013
	£'000	£'000
Amount due from group undertakings	<u>9</u>	<u>9</u>
	<u>9</u>	<u>9</u>

All amounts above are due in less than one year.

9 Called up share capital

	2014	2013
	£'000	£'000
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

10 Profit and loss account

	2014	2013
	£'000	£'000
At 1 February / 31 January	<u>(39)</u>	<u>(39)</u>

DRIVELINE EUROPE LIMITED
Notes to the financial statements (continued)

11 Related party transactions

The Company has taken advantage of the exemption within FRS 8 (Related party disclosures) in not disclosing transactions with other entities in the Acromas group of companies.

During the year the Company occupied premises owned by Scottish Equitable Pension Plan, a scheme for which N Murray is a member. Amounts paid for rent during the year ended 31 January 2014 were £18,000 (2013 - £20,000).

12 Ultimate parent undertaking

The financial statements of the company should be consolidated in the group financial statements of Acromas Holidays Limited (a parent undertaking) and Acromas Holdings Limited (the ultimate parent undertaking), both of which are registered in England and Wales.

Acromas Holidays Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

The Company is wholly owned by Automobile Association Travel Limited. Automobile Association Travel Limited is wholly owned by Acromas Holidays Limited.

13 Ultimate controlling party

The Directors consider the ultimate controlling party to be funds advised by Charterhouse General Partners, CVC Capital Partners and Permira Advisers acting in concert.

14 Post balance sheet event

On 29 May 2014, Saga Plc, an intermediate parent undertaking and the ultimate parent undertaking for the Saga group, was admitted to the London Stock Exchange.