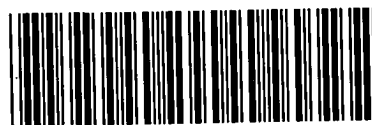


TOWER TRANSIT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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TOWER TRANSIT LIMITED

COMPANY INFORMATION

Directors	Mr P R Cox Mr N E Smith
Company secretary	Mr S G Scott
Registered number	04335658
Registered office	Westbourne Park Bus Garage Great Western Road London W9 3NW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Priory Place New London Road Chelmsford Essex CM2 0PP
Bankers	HSBC PLC 6th Floor 71 Queen Victoria Street London EC4V 4AY Santander UK PLC 100 Ludgate Hill London EC4M 7RE

TOWER TRANSIT LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 16

TOWER TRANSIT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Results and dividends

The profit for the year, after taxation, amounted to £724,000 (2018: loss of £2,922,000).

The directors have declared a dividend of £3,375,000 (2018: £Nil).

Directors

The directors who served during the year were:

Mr P R Cox
Mr A D Leishman (resigned 8 October 2018)
Mr N E Smith

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that 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 law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

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

Future developments

The Board is seeking to continually develop the business both in scale and profitability terms, by the utilisation of current excess capacity, the creation of further capacity within London and also will evaluate appropriate synergistic transport activities within the UK.

TOWER TRANSIT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on *15th July 2019* and signed on its behalf.



Mr P R Cox
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER TRANSIT LIMITED

Opinion

We have audited the financial statements of Tower Transit Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER TRANSIT LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER TRANSIT LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

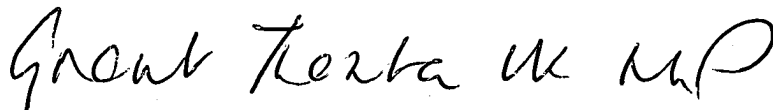
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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.



James Brown LLB ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Chelmsford

15 July 2019

TOWER TRANSIT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £000	2018 £000
Administrative expenses		(2)	(5)
Exceptional items	9	277	-
Impairment of fixed asset investments		-	(3,200)
Operating profit/(loss)		275	(3,205)
Income from fixed assets investments		325	-
Profit on disposal of investment		115	-
Interest receivable and similar income	6	416	426
Interest payable and similar charges	7	(407)	(399)
Profit/(loss) before taxation		724	(3,178)
Tax on profit/(loss)	8	-	256
Profit/(loss) for the financial year		724	(2,922)

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 9 to 16 form part of these financial statements.

TOWER TRANSIT LIMITED
REGISTERED NUMBER:04335658

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	10	1,586	2,612
		<u>1,586</u>	<u>2,612</u>
Current assets			
Debtors: amounts falling due within one year	11	15,498	16,815
		<u>15,498</u>	<u>16,815</u>
Creditors: amounts falling due within one year	12	(16,101)	(15,793)
Net current (liabilities)/assets		<u>(603)</u>	<u>1,022</u>
Total assets less current liabilities		<u>983</u>	<u>3,634</u>
Net assets		<u>983</u>	<u>3,634</u>
Capital and reserves			
Share capital	13	50	8,500
Profit and loss account	14	933	(4,866)
		<u>983</u>	<u>3,634</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

15th July 2019

Mr P R Cox
Director



The notes on pages 9 to 16 form part of these financial statements.

TOWER TRANSIT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2018	8,500	(4,866)	3,634
Comprehensive income for the year			
Profit for the year	-	724	724
Total comprehensive income for the year	-	724	724
Dividends: Equity capital	-	(3,375)	(3,375)
Capital reduction	(8,450)	8,450	-
At 31 March 2019	50	933	983

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2017	8,500	(1,944)	6,556
Comprehensive income for the year			
Loss for the year	-	(2,922)	(2,922)
Total comprehensive income for the year	-	(2,922)	(2,922)
At 31 March 2018	8,500	(4,866)	3,634

The notes on pages 9 to 16 form part of these financial statements.

TOWER TRANSIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Tower Transit Limited is a private limited company, incorporated within the United Kingdom with its registered office being Westbourne Park Bus Garage, Great Western Road, London, W9 3NW. The entity's principal activity is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tower Transit Group Limited as at 31 March 2019 and these financial statements may be obtained from Companies House.

2.3 Impairment of fixed assets

Assets that subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 Going concern

The ultimate parent undertaking has confirmed it will provide financial support for a period of at least twelve months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing its financial statements.

2.5 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TOWER TRANSIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the valuation of investments.

TOWER TRANSIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	2	2
Taxation compliance services	1	1
	<u>3</u>	<u>3</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018: £Nil).

6. Interest receivable

	2019 £000	2018 £000
Interest receivable from group companies	415	425
Other interest receivable	1	1
	<u>416</u>	<u>426</u>

7. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable to group companies	<u>407</u>	<u>399</u>

TOWER TRANSIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Taxation

	2019 £000	2018 £000
Corporation tax		
Adjustments in respect of previous periods	-	(256)
Total current tax	<u>-</u>	<u>(256)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(256)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018: *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000	2018 £000
Profit/(loss) on ordinary activities before tax	<u>724</u>	<u>(3,178)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	138	(604)
Effects of:		
Non-tax deductible impairment	-	608
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32	-
Adjustments to tax charge in respect of prior periods	-	(256)
Non-taxable income	(84)	-
Group relief claimed	(86)	(4)
Total tax charge for the year	<u>-</u>	<u>(256)</u>

Factors that may affect future tax charges

As announced in the 2016 Budget the UK corporation tax rate has decreased to 19% effective from 1 April 2017 with a further reduction in the tax rate for year beginning on 1 April 2020 to 17%. This rate became substantively enacted when the 2016 Finance Act received Royal Assent on 15 September 2016 and therefore 17% has been used as the prevailing rate for the deferred tax items recognised in the year.

TOWER TRANSIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Exceptional items

	2019 £000	2018 £000
Exceptional items	<u>277</u>	<u>-</u>

During the year Tower Transit Group Limited disposed of a number of subsidiary companies. As part of this, management undertook an exercise to waive intercompany balances and interest, and also incurred professional fees in relation to the disposals, which has resulted in the exceptional income above.

10. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2018	5,812
Disposals	(4,226)
At 31 March 2019	<u>1,586</u>
Impairment	
At 1 April 2018	3,200
Eliminated on disposal	(3,200)
At 31 March 2019	<u>-</u>
Net book value	
At 31 March 2019	<u>1,586</u>
At 31 March 2018	<u>2,612</u>

During the year the company disposed of its subsidiaries, Tower Transformations Limited, The Impact Group Limited and Whippet Coaches Limited.

TOWER TRANSIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Tower Transit Operations Limited	England & Wales	Bus operator	Ordinary	100%
Tower Transit Property Holdings Limited	England & Wales	Property holding company	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Tower Transit Operations Limited	16,746	(5,544)
Tower Transit Property Holdings Limited	(12)	128

11. Debtors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed by group undertakings	15,425	16,719
Amounts owed by associated undertakings	18	18
Other debtors	55	78
	15,498	16,815

TOWER TRANSIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Bank overdrafts	202	211
Trade creditors	117	-
Amounts owed to group undertakings	15,780	15,580
Accruals and deferred income	2	2
	16,101	15,793

13. Share capital

	2019	2018
	£000	£000
Alloted, called up and fully paid		
50,000 (2018: 8,500,000) Ordinary shares of £1 each	50	8,500

Share capital represents the nominal value of share issued, shares carry voting rights and an entitlement to dividends.

During the year Tower Transit Limited undertook a capital reduction, cancelling and extinguishing 8,450,000 of the existing issued ordinary share of £1 each.

14. Reserves

Profit and loss account

This account includes all current and prior period retained profits and losses.

15. Controlling party

The ultimate parent and controlling party at the year end is Tower Transit Group Limited, which is incorporated in England and Wales. The consolidated financial statements of Tower Transit Group Limited are publicly available from Companies House, Crown Way, Cardiff. Due to the structure of the shareholding there is no ultimate controlling party.