

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 JANUARY 2020**



**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)**

**Company information**

Directors: P R Shaw (resigned 25 June 2020)  
S A Jenkins

Secretary: V Haynes

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

Company Registration no: 06372780

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

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Strategic Report**

The Directors submit the Annual Report and the audited Financial Statements of Titan Transport Limited ("the Company") for the year ended 31 January 2020.

**Review of Business Developments and Principal Activity**

The principal activity of the Company is the sale of supplies of vehicular transport to other group companies and to act as a Tour Operators' Margin Scheme ("TOMS") vehicle company to its immediate parent undertaking, ST&H Limited, a company involved in the sale of holidays and related services.

For decision making and internal performance management, management's key performance metric is Underlying Profit Before Tax. Underlying Profit Before Tax represents profit before tax from continuing operations excluding unrealised fair value gains or losses on derivatives.

The profit before tax for the year amounted to £9,607,000 (2019 – £14,434,000). After taxation a profit of £7,706,000 (2019 – £11,660,000) has been transferred to reserves. A dividend of £8,000,000 (2019 – £11,500,000) has been paid to ST&H Limited.

The Company acts as a TOMS vehicle company for ST&H Limited. TOMS is a special scheme for businesses that buy-in and re-sell travel and certain other services as a principal or agent. Companies operating under TOMS only account for VAT on the margin made on margin scheme supplies i.e. the difference between amounts received from the customer and the amounts paid to suppliers.

As the performance is linked to ST&H Limited, Key Performance Indicators relating to the Company's trading which are appropriate for an understanding of the development, performance or position of the business can be found in its parent's financial statements.

**Change of name**

On 5 August 2019, the Company changed its name from Titan Transport Limited to Saga Transport Limited.

**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)**

**Strategic report (continued)**

**Principal Risks and Uncertainties**

The Group follows a structured risk identification and assessment process that involves all of its Directors and which is updated on an ongoing basis.

The principal risks facing the Group have been grouped under the following three headings:

**1. Operational Risks**

The Company provides transport that are exposed to the potential strike actions, extreme weather conditions or other factors causing the Company to be unable to provide their service.

The Company's vehicles operate throughout the year and are at risk of damage through collision, fire or extreme weather conditions. Customers' safety and health are of primary importance in the event of these risks occurring.

**2. Brand Risk**

The Group recognises that Titan as a quality brand is a source of competitive advantage, and has in place policies and procedures to protect it at all times. The Group has zero appetite and a very low tolerance for brand and reputation risks and will look wherever possible to eliminate them.

The Group also has zero appetite and very low tolerance for systemic unfair customer outcomes as a result of failures in the product, marketing, sales or service delivery systems and processes, or cultural shortcomings.

In order to manage these risks, the Group has put in place rigorous procedures and controls designed to prevent these risks occurring or, where this is not possible, to mitigate their effects. These controls are monitored by the Group Internal Audit function to ensure they are working effectively, and are also reviewed by the external regulators.

**3. COVID-19 Risk**

The COVID-19 outbreak has created a major challenge and a high level of uncertainty for the Company. COVID-19 has had a severe impact on the Company, with all holiday departures and cruises cancelled from March 2020. Current plans are being made to recommence ocean cruises from November 2020, with appropriate measures taken to protect the safety of customers. A decision has been made to suspend the Tour Operations business until March 2021. The Company is taking mitigating actions by managing its cash flow and has enabled all of its head office employees to work from home. The Company has also secured support from its parent company, Saga Group Limited, in the form of additional intercompany borrowing to see it through the expected period of disruption. The implications of this risk are considered further in the basis of preparation note 2a on pages 15 and 16 of this report.

**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)**

**Strategic report (continued)**

**The impact of uncertainties due to the UK exiting the European Union**

There is considerable uncertainty as to how the UK will exit from the EU and on what terms. The potential impact on the Company of Brexit, have been considered. The range of scenarios included a deal being made between the UK and the EU whereby the UK will remain within the EU VAT regime and therefore, there will be minimal impact on the Company. However, in the event of a no-deal Brexit, the UK will no longer be able to apply the EU VAT Directive Tour Operators Margin Scheme and normal EU VAT rules will apply. In this event, the Company will face significant additional administration processes and costs associated with being registered for VAT in each EU member state in which the Company's travel services venture.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development and performance and its exposure to risk and its management of these risks, including the COVID-19 pandemic are described on pages 2-3.

While the Company and the wider group within which it operates (the "Saga Group") remain in a secure financial position, and the Saga Group expects to remain in compliance with covenants included in banking facilities through at least the next six months in all modelled scenarios, there remains considerable uncertainty as to the impact of COVID-19 beyond this date. While the situation cannot be accurately predicted, looking beyond six months it is possible that the Group may breach some covenants included in banking facilities, and such an outcome would have an impact on the Company and its subsidiaries.

In this outcome the Saga Group would look to agree short term amendments with banking lenders, and given the cash generative nature of the Saga Group's Insurance business, would expect to be able to trade through ongoing COVID-19 disruption to travel. In addition, as signalled at the time of the Saga Group's AGM in June, the Group is considering additional actions to provide greater financial security. These plans are now well advanced, however there are no guarantees that these actions will be concluded and the directors have therefore concluded that there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, to continue realising its assets and discharging its liabilities in the normal course of business.

Notwithstanding this point, the directors expect the Company to trade through the current COVID-19 disruption and have continued to prepare the financial statements to 31 January 2020 on a going concern basis. Full details regarding considerations made in reaching this conclusion are included in note 2b to these financial statements on pages 16-18 of this report.

**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)  
Strategic report (continued)**

**Employee involvement**

During the year the Company has maintained the practice of keeping employees informed about current activities and progress by various methods, including a regular staff newsletter. Employee participation and involvement is encouraged.

**Employment of disabled persons**

It is the policy of the Company to develop a working environment and to offer terms and conditions of service to provide disabled persons with the appropriate skills, qualifications and equal opportunities to seek and maintain employment with the Company. It is the Company's policy to retain in employment, whenever practicable, employees who become disabled and give all such employees equal consideration for training and career development to enable them to fulfil their promotion potential.

**Future Developments**

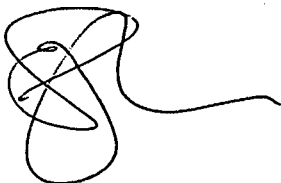
The Directors consider the result for the year to be satisfactory in view of the current market conditions and anticipate that in the coming year the Company will continue to offer attractive and value for money holiday products.

**Section 172 (1) statement**

**Duty to promote the success of the company**

The directors have had regard for the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 when performing their duty under section 172. The directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by our business.

By order of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

S A Jenkins  
Director  
20 August 2020

**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)**

**Directors' report**

The Directors submit the Directors' Report of the Company for the year ended 31 January 2020.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report, Strategic Report and Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Directors' report (continued)**

**Political donations**

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

**Going concern**

The Company's business activities, together with the factors likely to affect its future development and performance and its exposure to risk and its management of these risks, including the COVID-19 pandemic are described on pages 2-3.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from intermediate parent company, Saga Group Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Saga Group Limited providing additional financial support during that period. Saga Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue. Given the current unprecedented levels of uncertainty and disruption to the Group, there is some uncertainty as to the financial support that Saga Group Limited is able to give.

Whilst the Directors have a reasonable expectation that the Company has access to adequate resources, and have every intention for the Company to continue in operational existence for the foreseeable future, given the current unprecedented levels of uncertainty and disruption to the travel industry, the Directors believe this gives rise to material uncertainties that may cast doubt upon the Company's ability to continue to adopt the going concern basis of accounting in the future, particularly in the event that further unforeseeable disruption is caused by the COVID-19 pandemic.

The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Full details regarding considerations made in reaching this conclusion are included in note 2b to these financial statements.



**SAGA TRANSPORT LIMITED  
(FORMERLY TITAN TRANSPORT LIMITED)  
Directors' report (continued)**

**Disclosure of information to the auditor**

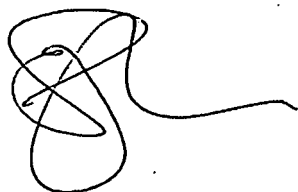
Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**Auditor**

In accordance with section 487(2) of the Companies Act 2006, the Auditor KPMG LLP is deemed re-appointed.

By order of the Board

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

S A Jenkins  
Director  
20 August 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGA TRANSPORT LIMITED (FORMERLY TITAN TRANSPORT LIMITED)**

### **Opinion**

We have audited the financial statements of Titan Transport Limited ("the Company") for the year ended 31 January 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to the basis of preparation in note 2b to the financial statements which indicates that the company's ability to continue as a going concern is dependent on the continued financial support from its ultimate parent company, Saga plc. As set out in note 2b, while Saga plc expects to remain in compliance with banking covenants through January 2021, given the potential ongoing impact from COVID-19 into next year, the ability of the group to continue as a going concern beyond this date is dependent on further mitigating actions. These actions include potentially raising additional equity capital and renegotiation of certain terms attaching to the group's bank facilities. As these events are outside the control of the Group, they constitute a material uncertainty related to the Company's ability to continue as a going concern. These events and conditions, along with the other matters explained in note 2b, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

**Strategic report and Directors' report**

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

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

**Directors' responsibilities**

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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



Heidi Broom-Hirst (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square  
Canary Wharf  
London  
E14 5GL

20 August 2020

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Income statement for the year ended 31 January 2020**

	Note	2020 £'000	2019 £'000
<b>Turnover</b>	3	68,721	69,294
Cost of sales		(59,397)	(54,770)
<b>Operating profit</b>	4	<u>9,324</u>	<u>14,524</u>
Profit/(loss) on disposal of fixed assets	11	320	(31)
<b>Profit on ordinary activities before interest and taxation</b>		<u>9,644</u>	<u>14,493</u>
Interest payable and similar charges	5	(37)	(59)
<b>Profit on ordinary activities before taxation</b>		<u>9,607</u>	<u>14,434</u>
Taxation	8	<u>(1,901)</u>	<u>(2,774)</u>
<b>Retained profit for the financial year</b>		<u><u>7,706</u></u>	<u><u>11,660</u></u>

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

Notes 1 to 23 form an integral part of these financial statements.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Balance sheet as at 31 January 2020**

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	10	57	32
Tangible assets	11	1,568	2,362
Investments in subsidiary undertakings	12	-	-
		<u>1,625</u>	<u>2,394</u>
<b>Current assets</b>			
Stock	13	57	81
Debtors	14	1,474	681
Cash at bank and in hand		336	26
		<u>1,867</u>	<u>788</u>
<b>Creditors - amounts falling due within one year</b>	15	(2,642)	(2,053)
<b>Net current assets/(liabilities)</b>		<u>(775)</u>	<u>(1,265)</u>
<b>Total assets less current liabilities</b>		<u>850</u>	<u>1,129</u>
<b>Creditors - amounts falling due greater than one year</b>	16	(478)	(463)
<b>Total assets less current liabilities</b>		<u>372</u>	<u>666</u>
<b>Capital and reserves</b>			
Called-up share capital	18	-	-
Retained earnings		372	666
<b>Shareholders' funds</b>		<u>372</u>	<u>666</u>

Signed for and on behalf of the Board by



S A Jenkins  
 Director

20 August 2020

Notes 1 to 23 form an integral part of these financial statements.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Statement of changes in equity for the year ended 31 January 2020**

	Called-up Share Capital £'000	Retained Earnings £'000	Total Equity £'000
<b>At 1 February 2018</b>	-	506	506
Profit for the financial year	-	11,660	11,660
Dividends paid	-	(11,500)	(11,500)
<b>At 31 January 2019</b>	-	666	666
Profit for the financial year	-	7,706	7,706
Dividends paid	-	(8,000)	(8,000)
<b>At 31 January 2020</b>	-	372	372

Notes 1 to 23 form an integral part of these financial statements.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**1 General information**

Saga Transport Limited (the "Company") is a company incorporated and domiciled in the UK (Company No. 06372780) with a Registered Office; Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

**2 Significant Accounting policies**

**a) Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards and on a going concern basis. The Directors have reviewed the appropriateness of the going concern basis in preparing the financial statements, particularly in light of the COVID-19 pandemic, details of which are included in note 2b. Based on those assumptions, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements. The financial statements are prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Saga plc. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 19.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2020.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 "Financial Instruments: Disclosures".
- b) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".



**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**a) Basis of preparation (continued)**

- c) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 "Revenue from Contracts with Customers".
- d) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 "Leases".
- e) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
  - i) paragraph 79(a)(iv) of IAS 1;
  - ii) paragraph 73(e) of IAS 16 "Property, Plant and Equipment"; and
  - iii) paragraph 118(e) of IAS 38 "Intangible assets".
- f) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 39(c), 40A-D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements".
- g) the requirements of IAS 7 "Statement of Cash Flows".
- h) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors".
- i) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures".
- j) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**b) Going concern**

The directors have considered the appropriateness of the going concern basis of preparation for the financial statements prepared to 31 January 2020, and in doing so have considered a range of possible scenarios that factor in the potential ongoing impact of COVID-19 and other key risks and uncertainties. The Company's business activities, together with the factors likely to affect its future development and performance, its exposure to risk and its management of these risks, are described on pages 2-3. As a consequence, the Directors believe that the Company is well-placed to successfully manage its business risks.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**b) Going concern (continued)**

The COVID-19 outbreak has created a major challenge and a high level of uncertainty for the Company and its subsidiaries. COVID-19 has had a severe impact on the Company, with all holiday departures and river cruises having to be cancelled since March 2020. A decision has been made to suspend the all departures until March 2021. The Company is taking mitigating actions by managing its cash flow and has enabled all of its head office employees to work from home. The Company has also secured support from its parent company, Saga Group Limited, in the form of additional intercompany borrowing to see it through the expected period of disruption. The ongoing viability of the Company is therefore linked to the viability of the wider group within which it operates (the "Saga Group").

The Saga Group currently has an ample level of liquidity, with in excess of £30m of available cash as at 31 July 2020, £50m undrawn and available on a revolving credit facility (RCF) and a £10m overdraft that is unutilised. Despite the impact of COVID-19 on its travel business, the Saga Group's insurance business is trading well, remains highly cash generative and is largely unaffected by COVID-19.

The Company and the Saga Group has updated its long-term financial forecasts to January 2025, and with a particular focus on the eighteen-month period to January 2022 and the impact of different scenarios on the Saga Group's leverage and interest cover covenants associated with its banking facilities. Three scenarios have been modelled, as follows:

- a central scenario based on current plans, with no trading expected in the Saga Holidays and Titan businesses until April 2021. This is coupled with the latest view of recommencing ocean cruises again from November 2020, with the long-term outlook for cruising returning to pre COVID-19 levels
- a downside scenario that factors in the impact of a second wave of lockdown restrictions in the first half of 2021 such that cruises have to cease again from January 2021 until May 2021, with a further long-term impact on demand for cruises. Also incorporated into this scenario are further potential downside risks on other parts of the Saga Group, namely in insurance
- a further, more severe downside scenario that factors in additional long-term suppression in demand for package holidays and tours, and further downward pressure on earnings in the insurance business.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**b) Going concern (continued)**

In all scenarios, the short-term outlook remains stable and the Saga Group continues to operate within its debt covenants for the rest of the financial year up to 31 January 2021. Further out, there is more uncertainty and the modelled scenarios indicate a potential breach in the Saga Group banking covenants in July 2021, albeit in most scenarios these breaches would not be material. The Saga Group is currently taking mitigating actions to overcome these issues, including the potential raise of additional equity capital to repay bank debt and renegotiation of certain terms attaching to those bank facilities to provide greater financial flexibility.

Whilst the Company and the Saga Group firmly expects to trade through the current period of uncertainty and has support of its banks, there is no guarantee that the mitigations will conclude successfully, which are still subject to shareholder approval and further renegotiations. The directors have therefore concluded that there exists a material uncertainty in relation to going concern, which in some scenarios of extended disruption from COVID 19 may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. Notwithstanding this point, the directors have continued to prepare the financial statements to 31 January 2020 on a going concern basis.

**c) Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as the balance sheet date and the amounts reported for revenues and expenses during the year, that are not readily apparent from other sources. However, the nature of estimation means that actual outcomes may differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no estimates, assumptions and judgements at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**d) Revenue recognition and cost of sales**

Turnover represents the revenue arising from tour operations and other activities using the Tours Operators' Margin Scheme ("TOMS"). Revenue from tour operations is recognised in line with the performance obligations, namely the provision of transport. Revenue is recognised as and when each performance obligation is satisfied.

Cost of sales represents the actual transport costs incurred in running the tour operations (ie costs paid to the suppliers) and depreciation of vehicles. The difference between turnover (excluding revenue from other activities) and cost of sales therefore represents the amount on which VAT is calculated on margin scheme supplies.

**e) Intangible fixed assets**

Computer software costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

Intangible computer software fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The cost of computer software intangible fixed assets less their expected residual value is amortised by equal instalments over their useful economic lives.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**f) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The cost of fixed assets less their expected residual value is depreciated by equal instalments over their useful economic lives. These lives are as follows:

Vehicles	3 years
IT hardware	4 years
Other (fixtures & fittings)	3 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**g) Leases**

The Company has adopted IFRS 16 'Leases' for the first time in the year ended 31 January 2020. The Company applied IFRS 16 retrospectively and the details of the new accounting policies for leases are disclosed below.

The Company leases various plant & equipment and vehicles. The contract length of the lease varies.

Leases are initially recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option will be included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the present value of future lease payments plus any initial direct costs and restoration costs. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture with an individual item value of US\$ 5,000 or less.

Income arising from leases where the Company acts as lessor is recognised on a straight-line basis over the lease term and included in operating income due to its operating nature.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**h) Trade and other debtors**

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

**i) Cash at bank and in hand**

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

**j) Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and where the time value of money is material, subsequently measured at amortised cost using the effective interest method.

**k) Pension benefits**

The Company operates a defined contribution pension scheme. Amounts charged to operating profit represent the contributions payable to the scheme in the year.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**l) Income taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is dealt with in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**m) Stocks**

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.



**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**n) Financial instruments**

**i) Financial assets**

*Financial Assets at Amortised Cost*

*Initial Recognition*

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

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

*Subsequent Measurement*

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

*Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)*

*Initial Recognition*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not elected to be designated as FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**n) Financial instruments (continued)**

**i) Financial assets (continued)**

*Subsequent Measurement*

Debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are recycled to profit or loss.

Equity investments are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial Assets at Fair Value through Profit and Loss (FVTPL)*

*Initial Recognition*

All financial assets not classified as amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably elect to designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This election is made on an investment by investment basis.

A financial asset is initially measured at fair value less, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

*Subsequent Measurement*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, unless such instrument is designated in a hedging relationship.

*Derecognition*

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

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**n) Financial instruments (continued)**

**ii) Impairment of financial assets**

The IFRS 9 expected credit loss (ECL) impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI.

The Company measures loss allowances at an amount equal to 12-month ECLs, except for the following, which are measured as lifetime ECLs:

- Debt securities that are determined to have high credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has increased significantly since initial recognition.
- Trade receivables and contract assets that result from transactions within the scope of IFRS 15.

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of 'investment grade'. The Company considers this to be BBB or higher as per Standard & Poor's rating scale.

**Measurement of ECLs**

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Group's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are recognised as a provision in the statement of financial position with a corresponding charge to the income statement. For debt instruments measured at FVOCI the loss allowance is recognised in the statement of comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. In such an event, the lifetime ECL will be recognised in lieu of the 12-month ECL.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements**

**2 Significant Accounting policies (continued)**

**n) Financial instruments (continued)**

**iii) Financial liabilities**

*Initial recognition and measurement*

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

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

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

*Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at fair value through profit or loss (FVTPL):*

Derivative financial instruments not designated as hedging instruments are classified as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised through the income statement.

*Loans and borrowings and other payables:*

After initial recognition, interest bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

*Derecognition*

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

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

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**o) Foreign currencies**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the income statement.

Amounts in the financial statements are stated in the Company's functional currency of pounds sterling (£'000).

Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value is determined. The gains or losses arising on translation of non-monetary items measured at fair value are treated in line with the recognition of gains or losses arising on a change in the fair value of the item (i.e. the translation differences on items whose fair value gain or loss is recognised in other comprehensive income or the income statement are also recognised in other comprehensive income or the income statement, respectively).

**p) Interest payable and similar costs**

Interest payable and similar costs comprise interest paid and payable which is calculated using the effective interest rate method and recognised in the income statement as it accrues. Accrued interest is included within the carrying value of the interest bearing financial liability in the balance sheet.

**q) Investment in subsidiaries**

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

**r) Impairment of investment in subsidiaries**

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

**3 Turnover**

Turnover represents the sales value of vehicular transport supplies made during the accounting period i.e. the eligible cost of sales from the tour operator, ST&H Limited, plus a margin under the rules of Tours Operators Margin Scheme. Turnover is stated net of VAT. All business is carried out in the UK.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**4 Operating profit**

Operating profit is stated after charging:-	2020	2019
	£'000	£'000
Depreciation of owned tangible fixed assets	180	133
Depreciation of right of use tangible fixed assets	1,009	779
Amortisation of intangible fixed assets	21	19
Auditor's remuneration - audit of financial statements	23	22

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

**5 Interest payable and similar charges**

	2020	2019
	£'000	£'000
Net interest and finance charges payable on lease liabilities	37	59
	<u>37</u>	<u>59</u>

**6 Staff costs**

	2020	2019
	£'000	£'000
Wages and salaries	3,601	4,125
Social security costs	237	168
Pension costs	68	51
	<u>3,906</u>	<u>4,344</u>

	2020	2019
The monthly average number of employees during the period was as follows:-	No.	No.
Operations	228	264
Admin & Management	9	9
	<u>237</u>	<u>273</u>

**7 Directors' remuneration**

The remuneration of the Directors of the Company during the year was £nil (2019: £nil)

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**8 Taxation**

	2020 £'000	2019 £'000
<b>Current tax</b>		
UK corporation tax at 19.00% (2019 – 19.00%)	1,915	2,834
Adjustments in respect of prior periods	6	8
Total current tax charge	<u>1,921</u>	<u>2,842</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(80)	(81)
Adjustments in respect of prior periods	60	13
	<u>(20)</u>	<u>(68)</u>
Total tax expense in the income statement	<u>1,901</u>	<u>2,774</u>
Reconciliation of total tax charge:	2020 £'000	2019 £'000
Profit before tax at 19.00% (2019 – 19.00%)	1,825	2,742
Adjustments in respect of prior periods	66	21
Rate change adjustment on temporary differences	10	11
Total tax expense in the income statement	<u>1,901</u>	<u>2,774</u>

The corporation tax charge for the current year is made up of payments to other group companies for group relief.

There are no circumstances foreseen that are expected to materially impact future tax charges.

**9 Dividends**

A dividend of £8,000,000 per share (2019 – £11,500,000) has been paid during the year at a cost of £8,000,000 (2019 – £11,500,000).

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**10 Intangible fixed assets**

	Software
<b>Cost</b>	£'000
At 1 February 2019	176
Additions	46
At 31 January 2020	<u>222</u>
<b>Amortisation</b>	
At 1 February 2019	144
Charge for year	21
At 31 January 2020	<u>165</u>
<b>Net book value</b>	
At 31 January 2020	<u>57</u>
At 31 January 2019	<u>32</u>

Intangible fixed asset amortisation is recorded in cost of sales in the income statement.



**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

<b>11 Tangible fixed assets</b>	<b>2020</b>	<b>2019</b>
		(restated)
	£'000	£'000
Owned assets (a)	226	690
Right of use assets (b)	1,342	1,672
	<u>1,568</u>	<u>2,362</u>

**(a) Owned assets**

	Other (restated) £'000	Vehicles (restated) £'000	Total (restated) £'000
<b>Cost</b>			
At 1 February 2019	484	1,395	1,879
Additions	5	8	13
Transfer of asset class	-	(340)	(340)
<b>At 31 January 2020</b>	<u>489</u>	<u>1,063</u>	<u>1,552</u>

**Depreciation**

At 1 February 2019	414	775	1,189
Charge for period	45	135	180
Transfer of asset class	-	(43)	(43)
<b>At 31 January 2020</b>	<u>459</u>	<u>867</u>	<u>1,326</u>

**Net book value**

At 31 January 2020	<u>30</u>	<u>196</u>	<u>226</u>
At 31 January 2019	<u>70</u>	<u>620</u>	<u>690</u>

<sup>1</sup>In the prior year, the loss on disposal of vehicles was £31,000.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**11 Tangible fixed assets (continued)**

**(b) Right of use assets**

<b>Cost</b>	<b>Other £'000</b>	<b>Vehicles £'000</b>	<b>Total £'000</b>
At 1 February 2019	19	3,348	3,367
Additions	-	432	432
Transfer of asset class	-	340	340
Disposals <sup>1</sup>	-	(980)	(980)
<b>At 31 January 2020</b>	<b>19</b>	<b>3,140</b>	<b>3,159</b>
<b>Depreciation</b>			
At 1 February 2019	18	1,677	1,695
Charge for period	1	1,008	1,009
Transfer of asset class	-	43	43
Disposals <sup>1</sup>	-	(930)	(930)
<b>At 31 January 2020</b>	<b>19</b>	<b>1,798</b>	<b>1,817</b>
<b>Net book value</b>			
At 31 January 2020	-	1,342	1,342
At 31 January 2019	1	1,671	1,672

<sup>1</sup>The profit on disposal of vehicles was £320,000 (2019 - £31,000 loss).

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

<b>12</b>	<b>Investment in subsidiary undertakings</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	At 31 January	<u>-</u>	<u>-</u>

The subsidiary undertakings of Saga Transport Limited, all of which are wholly owned, are listed below. The registered office address for all entities is Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE.

<b>Company</b>	<b>Country of registration</b>	<b>Nature of business</b>
Titan Travel Holdings Limited	England	Dormant Company
Titan Aviation Limited	England	Dormant Company
Titan Travel Limited	England	Dormant Company

<b>13</b>	<b>Stock</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Fuel	12	17
	Parts	32	45
	Uniform	13	19
		<u>57</u>	<u>81</u>

<b>14</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	331	10
	Prepayments and accrued income	333	46
	Other tax and social security	379	214
	Deferred taxation	431	411
		<u>1,474</u>	<u>681</u>

Deferred tax comprises an excess of depreciation over capital allowances of £426,000 (2019 - £406,000) and short-term timing differences of £5,000 (2019 - £5,000).

Measures were enacted in the Finance Act 2015 to reduce the corporation tax rate from 20% to 19% from 1 April 2017, and to 18% from 1 April 2020. A further reduction to 17% from 1 April 2020 was announced on 16 March 2016 and has been enacted at the balance sheet date. As a result, the closing deferred tax balances have been reflected at 17%. On 11 March 2020, it was announced that the corporation tax rate will remain at 19% from 1 April 2020.

All amounts above are due in less than one year, except for deferred tax.

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**15 Creditors - amounts falling due within one year**

	2020	2019
	£'000	£'000
Amounts due to group undertakings	1,474	256
Trade creditors	-	14
Lease liabilities	533	1,091
Accruals and deferred income	635	692
	<u>2,642</u>	<u>2,053</u>

**16 Creditors - amounts falling due after more than one year**

	2020	2019
	£'000	£'000
Lease liabilities	478	463
	<u>478</u>	<u>463</u>

**17 Lease commitments**

Future minimum lease payments under lease contracts together with the present values of the net minimum lease payments are as follows:

	2020	2019
	£'000	£'000
Within one year	781	1,118
Between two and five years	531	702
Total minimum lease payments	<u>1,312</u>	<u>1,820</u>
Less: amounts representing finance charges	<u>(301)</u>	<u>(266)</u>
Present value of minimum lease payments	<u>1,011</u>	<u>1,554</u>

	2020	2019
	£	£
<b>18 Called up share capital</b>		
<b>Allotted, called up and fully paid</b>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

**SAGA TRANSPORT LIMITED**  
**(FORMERLY TITAN TRANSPORT LIMITED)**  
**Notes to the financial statements (continued)**

**19 Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries in the Saga group of companies.

**20 Ultimate parent undertaking**

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

A copy of the financial statements of Saga plc for the year ended 31 January 2020 may be obtained from the corporate website [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk) or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

ST&H 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 ST&H Limited.

**21 Ultimate controlling party**

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

**22 Transition to IFRS 16**

The Company has adopted IFRS 16 'Leases' for the first time in the year ended 31 January 2020. There was no impact on the income statement as a result of adopting IFRS 16 and therefore prior periods have not been restated. There was no impact on the face of the balance sheet as a result of adopting IFRS 16 and therefore prior periods have not been restated. The impact on the notes to the balance sheet in prior periods as a result of adopting IFRS 16 is given in note 11.

**23 Post balance sheet events**

The COVID-19 pandemic has created an unprecedented challenge and a high level of uncertainty for all companies. The board of Directors are focused on protecting the viability of the Company over the coming months. Whilst the Directors consider the event to be non-adjusting in nature, they have duly considered the impact of the crisis on the financial performance and position of the Company. Further detail relating to this is provided within the basis of preparation and going concern sections in note 2a and 2b on pages 15-18.