

REGISTERED NUMBER: 863658 (England and Wales)

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011
FOR
HEDINGHAM AND DISTRICT OMNIBUSES LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2011**

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HEDINGHAM AND DISTRICT OMNIBUSES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011**

DIRECTORS:

R J MacGregor
D R MacGregor
Mrs C M MacGregor

SECRETARY:

Mrs C M MacGregor

REGISTERED OFFICE:

The Garage
Wethersfield Road
Sible Hedingham
Halstead, Essex
CO9 3LB

REGISTERED NUMBER:

863658 (England and Wales)

AUDITORS:

Seago and Stopps
Chartered Certified Accountants
& Registered Auditors
61 Station Road
Sudbury
Suffolk
CO10 2SP

BANKERS:

Barclays Bank PLC
Witham Business Centre
PO Box 3988
Guithavon House, Guithavon Street
Witham
Essex

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report with the accounts of the company for the year ended 31 March 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of omnibus services

REVIEW OF BUSINESS

As we enter our 51st year of operation, the much publicised government austerity measures are beginning to have an impact on the business. In particular, we have seen major cuts to local authority funding in concessionary fares and local tendered buses, as well as a 20% reduction in the BSOG grant from April 2012 (with the possibility that the remaining 80% will be distributed to local authorities in future to be invested at their discretion in local services). We are also having to contend with severe local competition in all our operating areas for school contracts and the e-auctions system of tendering for these contracts has seen prices being forced down.

To counter these issues we have undertaken a detailed review of our cost base and are in the process of eliminating any unnecessary costs. Our focus is around natural staff wastage and cutting unprofitable bus services. We have also kept investment to a minimum on new buses this year, predominantly due to the significant investment last year.

The sharp increase in fuel costs during the year has obviously had an adverse impact on the company's profits but we have been able to mitigate the increase of just over £77,000 by ensuring that repairs and maintenance costs on vehicles and property are carried out only as and when they are required (whilst not compromising any health and safety issues). In this area alone, costs were reduced by over £110,000.

We feel that the present economic conditions are the toughest that have been experienced for a generation, but ultimately the company's strong balance sheet and the cost saving measures referred to above will see the company emerge strongly and survive, where other independent operators may fail.

DIVIDENDS

The company made a profit for the year, after corporation tax, of £29,255. Once again no dividends will be paid to the shareholders and the money will be re-invested back into the company. This has been a constant dividend policy of the company for the past 50 years.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

R J MacGregor
D R MacGregor
Mrs C M MacGregor

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 of 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Seago and Stopps, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs C M MacGregor - Director

26 August 2011

**REPORT OF THE INDEPENDENT AUDITORS TO
HEDINGHAM AND DISTRICT OMNIBUSES LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to nineteen, together with the full financial statements of Hedingham and District Omnibuses Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Andy Stopps (Senior Statutory Auditor)
for and on behalf of Seago and Stopps
Chartered Certified Accountants
& Registered Auditors
61 Station Road
Sudbury
Suffolk
CO10 2SP

26 August 2011

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

31/3/10		Notes	31/3/11	
£	£		£	£
3,967,853	TURNOVER	2		3,793,452
(3,434,550)	Cost of sales			(3,280,966)
<hr/> 533,303				<hr/> 512,486
332,166	Administrative expenses			482,866
<hr/> 201,137	OPERATING PROFIT	4		<hr/> 29,620
	45 Income from fixed asset investments		48	
	9,597 Interest receivable and similar income		17,055	
<hr/> 9,642			<hr/>	<hr/> 17,103
210,779				46,723
<hr/> 7	Interest payable and similar charges	5		<hr/> 5,134
210,772	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			41,589
42,077	Tax on profit on ordinary activities	6		12,334
<hr/> 168,695	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			<hr/> 29,255
-	Extraordinary items after taxation	7		8,217
<hr/> 168,695	PROFIT FOR THE FINANCIAL YEAR			<hr/> 37,472

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011**

31/3/10 £		31/3/11 £
168,695	PROFIT FOR THE FINANCIAL YEAR	37,472
-	Revaluations during year	(241,240)
-	Adjustment on historical cost valuations	(8,217)
<u>168,695</u>	TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(211,985)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

ABBREVIATED BALANCE SHEET
31 MARCH 2011

The notes form part of these abbreviated accounts

HEDINGHAM AND DISTRICT OMNIBUSES LIMITED (REGISTERED NUMBER: 863658)

ABBREVIATED BALANCE SHEET - continued
31 MARCH 2011

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 26 August 2011 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'R J MacGregor', with a stylized flourish at the end.

R J MacGregor - Director

The notes form part of these abbreviated accounts

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

31/3/10 £		Notes	31/3/11 £
484,390	Net cash inflow from operating activities	1	487,412
9,635	Returns on investments and servicing of finance	2	11,969
(60,000)	Taxation		(6,387)
(575,730)	Capital expenditure	2	(118,753)
(141,705)			374,241
(18,496)	Financing	2	303,528
(160,201)	Increase/(Decrease) in cash in the period		677,769
<hr/>			
	Reconciliation of net cash flow to movement in net funds	3	
(160,201)	Increase/(Decrease) in cash in the period		677,769
(160,201)	Change in net funds resulting from cash flows		677,769
(160,201)	Movement in net funds in the period		677,769
1,350,125	Net funds at 1 April		1,189,924
1,189,924	Net funds at 31 March		1,867,693

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31/3/11	31/3/10
	£	£
Operating profit	29,620	201,137
Depreciation charges	436,549	518,852
Profit on disposal of fixed assets	(53,712)	(166,608)
Decrease/(Increase) in stocks	1,667	(4,352)
Decrease/(Increase) in debtors	65,328	(80,799)
Increase in creditors	7,960	16,160
Net cash inflow from operating activities	487,412	484,390

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31/3/11	31/3/10
	£	£
Returns on investments and servicing of finance		
Interest received	17,055	9,597
Interest paid	(5,134)	(7)
Dividends received	48	45
Net cash inflow for returns on investments and servicing of finance	11,969	9,635
Capital expenditure		
Purchase of tangible fixed assets	(185,753)	(793,731)
Sale of tangible fixed assets	67,000	218,001
Net cash outflow for capital expenditure	(118,753)	(575,730)
Financing		
New loans in year	370,223	-
Amount introduced by directors	124,244	100,939
Amount withdrawn by directors	(190,939)	(119,435)
Net cash inflow/(outflow) from financing	303,528	(18,496)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 10 £	Cash flow £	At 31 3 11 £
Net cash			
Cash at bank and in hand	1,189,924	677,769	1,867,693
	<u>1,189,924</u>	<u>677,769</u>	<u>1,867,693</u>
 Total	 <u>1,189,924</u>	 <u>677,769</u>	 <u>1,867,693</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Office equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Buses	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Government grants

The company receives government grants and these are credited to the profit and loss account for the period to which they relate The amount receivable in respect of the year ended 31 March 2011 was £194,603 (2010 £198,933)

Investments

Fixed asset investments are stated at cost less provision for diminution in value

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

3 STAFF COSTS

	31/3/11	31/3/10
	£	£
Wages and salaries	2,056,479	2,052,237
Social security costs	30,166	19,438
	<u>2,086,645</u>	<u>2,071,675</u>

The average monthly number of employees during the year was as follows

	31/3/11	31/3/10
Office and management	3	3
Drivers and fitters	109	103
	<u>112</u>	<u>106</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31/3/11	31/3/10
	£	£
Depreciation - owned assets	436,549	518,852
Profit on disposal of fixed assets	(53,712)	(166,608)
Auditors' remuneration	5,510	6,650
	<u>232,700</u>	<u>160,000</u>

Information regarding the highest paid director for the year ended 31 March 2011 is as follows

	31/3/11
	£
Emoluments etc	<u>116,350</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31/3/11	31/3/10
	£	£
Bank interest	25	7
Bank loan interest	5,109	-
	<u>5,134</u>	<u>7</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31/3/11	31/3/10
	£	£
Current tax:		
UK corporation tax	21,841	6,387
Deferred tax	(9,507)	35,690
Tax on profit on ordinary activities	<u>12,334</u>	<u>42,077</u>

7 EXTRAORDINARY ITEMS

	31/3/11	31/3/10
	£	£
Historical cost adjustment	<u>8,217</u>	<u>-</u>

8 INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 April 2010	
and 31 March 2011	<u>308,506</u>
AMORTISATION	
At 1 April 2010	
and 31 March 2011	<u>308,506</u>
NET BOOK VALUE	
At 31 March 2011	<u>-</u>
At 31 March 2010	<u>-</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

9 TANGIBLE FIXED ASSETS

	Totals £	Freehold property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2010	9,339,451	2,148,870	435,854
Additions	185,753	-	17,857
Disposals	(139,800)	-	-
Revaluations	(241,240)	(241,240)	-
At 31 March 2011	9,144,164	1,907,630	453,711
DEPRECIATION			
At 1 April 2010	5,811,187	125,440	345,793
Charge for year	436,549	17,190	26,994
Eliminated on disposal	(126,512)	-	-
At 31 March 2011	6,121,224	142,630	372,787
NET BOOK VALUE			
At 31 March 2011	3,022,940	1,765,000	80,924
At 31 March 2010	3,528,264	2,023,430	90,061
	Office equipment £	Motor vehicles £	Buses £
COST OR VALUATION			
At 1 April 2010	76,104	54,607	6,624,016
Additions	-	-	167,896
Disposals	-	-	(139,800)
At 31 March 2011	76,104	54,607	6,652,112
DEPRECIATION			
At 1 April 2010	68,453	44,509	5,226,992
Charge for year	1,920	2,526	387,919
Eliminated on disposal	-	-	(126,512)
At 31 March 2011	70,373	47,035	5,488,399
NET BOOK VALUE			
At 31 March 2011	5,731	7,572	1,163,713
At 31 March 2010	7,651	10,098	1,397,024

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

9 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2011 is represented by

	Totals £	Freehold property £	Plant and machinery £
Valuation in 2007	912,360	912,360	-
Valuation in 2011	(241,240)	(241,240)	-
Cost	8,473,044	1,236,510	453,711
	<u>9,144,164</u>	<u>1,907,630</u>	<u>453,711</u>
	Office equipment £	Motor vehicles £	Buses £
Cost	<u>76,104</u>	<u>54,607</u>	<u>6,652,112</u>

If Freehold land and buildings had not been revalued they would have been included at the following historical cost

	31/3/11 £	31/3/10 £
Cost	<u>1,236,510</u>	<u>1,236,510</u>
Aggregate depreciation	<u>105,802</u>	<u>95,910</u>

Freehold land and buildings were valued on an open market basis on 31 March 2011 by Fenn Wright (FRICS)

The basis of the market valuation was carried out in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

10. FIXED ASSET INVESTMENTS

	Listed investments £
COST	
At 1 April 2010 and 31 March 2011	<u>492</u>
NET BOOK VALUE	
At 31 March 2011	<u>492</u>
At 31 March 2010	<u>492</u>

Market value of investments at 31st March 2011 - £1,541

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

11. STOCKS

	31/3/11	31/3/10
	£	£
Stocks	<u>48,491</u>	<u>50,158</u>

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/11	31/3/10
	£	£
Trade debtors	331,333	403,245
Other debtors	42,493	47,360
VAT	25,556	23,689
Prepayments and accrued income	73,527	63,943
	<u>472,909</u>	<u>538,237</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/11	31/3/10
	£	£
Bank loans and overdrafts (see note 15)	158,667	-
Trade creditors	218,892	175,854
Tax	21,841	6,387
Social security and other taxes	137,571	119,658
Other creditors	-	47
Directors' current accounts	34,244	100,939
Accrued expenses and deferred income	264,240	317,184
	<u>835,455</u>	<u>720,069</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/3/11	31/3/10
	£	£
Bank loans (see note 15)	<u>211,556</u>	<u>-</u>

15 LOANS

An analysis of the maturity of loans is given below

	31/3/11	31/3/10
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>158,667</u>	<u>-</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

15 LOANS - continued

	31/3/11 £	31/3/10 £
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>211,556</u>	<u>-</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	31/3/11 £	31/3/10 £
Bank loans	<u>370,223</u>	<u>-</u>

The bank loan is secured against 5 of the buses which the company owns

17 PROVISIONS FOR LIABILITIES

	31/3/11 £	31/3/10 £
Deferred tax	<u>78,439</u>	<u>87,946</u>
		Deferred tax
		£
Balance at 1 April 2010		87,946
Movement in deferred taxation		(9,507)
Balance at 31 March 2011		<u>78,439</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31/3/11	31/3/10
Number	Class	Nominal value	£	£
51,300	Ordinary	£1	<u>51,300</u>	<u>51,300</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

19. RESERVES

	Totals £	Profit and loss account £	Revaluation reserve £
At 1 April 2010	4,447,760	3,556,712	891,048
Profit for the year	37,472	37,472	
Revaluation reserve transfers	-	7,298	(7,298)
Revaluation losses	(249,457)	-	(249,457)
At 31 March 2011	<u>4,235,775</u>	<u>3,601,482</u>	<u>634,293</u>

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of two directors. The scheme and its' assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £26,200 (2010 £26,200).

21. CONTINGENT LIABILITIES

At the balance sheet date there are various claims being made against the company for personal injury following bus accidents that took place during the year. At the date of signing these accounts, the amount of compensation due could not be quantified. On this basis, no financial provision has been made in these accounts.

The maximum exposure to the liability of the company has been considered by the directors and they are of the opinion that the company has sufficient working capital to settle the maximum liability that would be payable by the company, with any excess over this amount being settled by insurance.

22. RELATED PARTY DISCLOSURES

The company is ultimately controlled by R J Macgregor and Mrs C M Macgregor, directors, as between them they hold 90% of the issued share capital of the company.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/3/11 £	31/3/10 £
Profit for the financial year	37,472	168,695
Other recognised gains and losses relating to the year (net)	(249,457)	-
Net (reduction)/addition to shareholders' funds	(211,985)	168,695
Opening shareholders' funds	<u>4,499,060</u>	<u>4,330,365</u>
Closing shareholders' funds	<u>4,287,075</u>	<u>4,499,060</u>