REGISTERED NUMBER 1997617 (England and Wales)

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Report of the Directors and

Financial Statements

for the Year Ended 31 March 2012

for

Thamesdown Transport Limited

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Thamesdown Transport Limited

Company Information
for the Year Ended 31 March 2012

DIRECTORS:	D G J Burch N A Mason Miss F M Foley K P Wildy C C Irwin P R Jenkins P N Greenhalgh B A Beauchamp K R Williams C Lovell R Meacham S R Allsopp
SECRETARY:	C Connor
REGISTERED OFFICE:	Barnfield Road Swindon Wiltshire SN2 2DJ
REGISTERED NUMBER:	1997617 (England and Wales)
AUDITORS:	Monahans Statutory Auditors 38-42 Newport Street Swindon Wiltshire SN1 3DR
BANKERS	Lloyds TSB Bank Plc 5 High Street Swindon SN1 4EX

Thamesdown Transport Limited

Chairman's Report
for the Year Ended 31 March 2012

I am pleased to present the annual report of Thamesdown Transport Limited for the year ending 31st March 2012

2011/12 has been a year of contrasts for the Company In November 2011 Thamesdown won the bus industry's highest accolade, the UK Bus Operator of the Year award, in recognition of its consistently high levels of customer satisfaction and first class reliability and punctuality figures But in business terms the year has proved to particularly challenging It had been hoped that the recovery in passenger numbers seen in 2010/11 would flow through into 2011/12 However, the local economy in Swindon has still not yet recovered from recession and demand for bus travel continues to be constrained As a result, passenger numbers fell by 3 9% year-on-year and the Company has recorded a loss for 2011/12

The slowdown in demand has come against a background of ever-increasing costs Management action has addressed this by focussing on the Company's core activities of running bus services in and around Swindon Investment in a new ITSO ticket machine system during the year attracted funding from the South West Improvement and Efficiency Partnership and enabled the Company to claim additional Bus Service Operator's Grant, even so, net fuel costs rose to 4% over budget Payroll costs have been well controlled during the year, which has also seen the ending of accrual to the Local Government Pension Scheme for the remaining staff in the scheme

Reliability and punctuality have continued to be good, with 99 7% of scheduled mileage run against a target of 99 8%

Our customers' travel experience has also continued to benefit from the successful delivery of the Real Time Information System in partnership with the Borough Council

We firmly believe in the partnership approach and we will continue to work with the Borough Council to deliver commercially viable public transport solutions for Swindon Our aim is to offer an attractive alternative to the use of the private car, thereby helping to demonstrate the benefits for the Council and the local community of owning their local bus company

My thanks go to all Thamesdown staff for their hard work and loyalty and to our customers, the people of Swindon, for their support

Colin Lovell

Report of the Directors
for the Year Ended 31 March 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the provision of local bus services in the Swindon urban area and surrounding districts Contract bus, engineering and training services were also provided

REVIEW OF BUSINESS
It had been anticipated that 2011/12 would be a difficult year for trading, due to the combined effects of high fuel costs, a reduction in concessionary fares reimbursement and the requirement to start making a payment of £250k per annum to Swindon Borough Council (SBC) in accordance with the agreement whereby the council paid off the Company's liabilities to the Wiltshire Pension Fund It had been hoped that the trend of passenger growth seen since 2010 would contribute more revenue to help offset these extra costs

Unfortunately, the passenger growth failed to materialise and the growth trend reversed during 2011 as the impact of the 'double dip' recession suppressed demand for bus travel within Swindon The Royal Wedding in April 2011 also affected patronage, with commuters taking advantage of the lengthy break offered by the Easter and Royal Wedding bank holidays falling on successive weekends Passenger numbers finished the year 3 9% lower than in 2010/11

An increase was applied to single and Dayrider bus fares in June 2011, but the expected yield was not achieved and management action continued to focus on seeking efficiencies in the business In January 2012 the three least well-performing commercial services were withdrawn and the fleet and driving staff establishment reduced accordingly In March 2012 the Company ended accrual to the Local Government Pension Scheme for the remaining staff in the scheme

The results for the company show a loss for the year of £348,220 (2010/11 - £321,663 profit) on revenue of £10,718,583 (2010/11 - £10,902,263) Trading was adverse to budget all year, affecting both income and expenditure The shortfall in the revenue budget was the primary concern, although fuel costs were adverse to budget all year There was no significant profit on sale of assets in 2011/12, with only £10,000 achieved (2010/11 - £155,875) Administrative expenses increased to £11,114,552 (2010/11 - £8,819,095) mainly as a result of the increase in pension liabilities

In accordance with the agreement reached by the Company in 2011 with SBC and the Wiltshire Pension Fund (WPF), SBC made a further payment of £935,000 in 2011/12 to pay off the company's liabilities to the WPF This was added to the Company's capital contribution reserve

This restructuring of the company's pension liabilities has addressed a significant long term risk for the company, although it has increased its operating costs Whilst challenging trading conditions lie ahead, the company remains resilient and the directors have no hesitation in continuing to view it as a going concern

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2012

FIXED ASSETS
There is no significant anticipated difference between the current book value and the market value of the long leasehold property in its current usage

RESEARCH AND DEVELOPMENT
The company continues to take advantage of appropriate new technology where it can improve the customer experience and provide operational benefits Around two-thirds of our passengers now travel on buses equipped with an audio-visual bus stop announcing system and we continue to partner SBC in delivering Real Time Information about our bus services at bus stops, on pc desktops and on mobile devices

Investment continued in 2011/12, with a new Wayfarer 200 ITSO ticket machine system This enabled us to read the ITSO concessionary bus passes electronically and qualified us to claim an additional 8% Bus Service Operator's Grant The project also attracted regional funding and a grant from Swindon Borough Council During 2011/12 the Company's life-expired recovery truck was also replaced

In July 2011 the company worked in partnership with SBC on the successful installation of photovoltaic solar panels on the roof of our depot We have since been receiving free use of the electricity generated, which has reduced our energy costs by around £10k per annum, whilst SBC has benefited from the sale of surplus energy to the National Grid

FUTURE DEVELOPMENTS

The directors have in place a Three Year Business Plan which lays out the company's objectives and its strategy for achieving them and guides management action through a series of action plans The company is well placed to take advantage of the growth in demand which will return as economic conditions improve

We recognise that the company faces challenges ahead, particularly with a reduction in the level of reimbursement for concessionary travel, further cutbacks in local authority support for bus services, and rising fuel prices Traffic congestion is likely to increase as economic conditions improve and this can increase our costs by slowing down bus services

In tackling these issues the company benefits from a stable workforce, an excellent reputation for quality, a good financial track record and a strong partnership approach with its owners As a locally-owned and managed business it is wholly focussed on providing public transport in and around Swindon and can respond quickly to changing demand

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

D G J Burch
N A Mason
C C Irwin
P R Jenkins
B A Beauchamp
K R Williams
C Lovell

Other changes in directors holding office are as follows

I M Dobie - resigned 14 June 2011
Miss F M Foley - appointed 14 June 2011

K P Wildy and P N Greenhalgh resigned as directors after 31 March 2012 but before the date of this report

R Meacham and S R Allsopp were appointed as directors after 31 March 2012 but prior to the date of this report

FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash at bank The main purpose of this financial instrument is to raise adequate finance for the company's operations

The main risk arising from the company's financial instruments is liquidity risk It is the company's policy to finance its operations with cash and to review periodically the projected cash flow requirements of the company and maintain an acceptable level of risk exposure

KEY PERFORMANCE INDICATORS

The company's directors have in place a number of KPIs which are used to monitor the business These include passenger revenue, passenger numbers, labour costs, materials costs, reliability, customer complaints, road traffic accidents, breakdowns and staff absence

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the implementation of the company's strategy are subject to a number of risks The key risks and uncertainties affecting the business are fuel prices, reductions in the level of reimbursement for concessionary travel and increasing traffic congestion

EMPLOYMENT OF DISABLED PERSONS

The company has an equal opportunities policy and gives every consideration to applications for employment from persons with disabilities

EMPLOYEE INVOLVEMENT

The company maintains a policy of close co-operation with trade unions and all employees in matters which concern them Members of management have regular meetings with elected staff representatives which provide opportunities for employees to contribute to the success of the company

The constitution of the Board of Directors includes two employee directors, which enhances the degree of employee involvement in policy issues

In addition, information is disseminated to staff through regular newsletters and notices to staff

During the period in question, the company reaffirmed its policy towards equal opportunity in employment

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards as adopted by the European Union 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,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and performance, and
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

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

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

ON BEHALF OF THE BOARD

C Connor - Secretary

Date 4/9/12

Report of the Independent Auditors to the Members of Thamesdown Transport Limited

We have audited the financial statements of Thamesdown Transport Limited for the year ended 31 March 2012 on pages six to thirty one The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 a Report of the Auditors and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Chairman's Report and the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Steven Fraser (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date 5th September 2012

Statement of Comprehensive Income for the Year Ended 31 March 2012

	Notes	2012 £	2011 £
CONTINUING OPERATIONS			
Revenue		10,718,583	10,902,263
Other operating income	3	243,670	285,655
Administrative expenses		(11,114,552)	(8,819,095)
OPERATING (LOSS)/PROFIT		(152,299)	2,368,823
Finance costs	5	(1,108,016)	(1,265,876)
Finance income	5	1,076,300	810,373
(LOSS)/PROFIT BEFORE INCOME TAX	6	(184,015)	1,913,320
Income tax	7	(164,205)	(1,591,657)
(LOSS)/PROFIT FOR THE YEAR		(348,220)	321,663
OTHER COMPREHENSIVE INCOME			
Actuarial gain/(loss) on pension scheme		(1,645,000)	2,540,000
Income tax relating to other comprehensive income		360,470	(736,590)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(1,284,530)	1,803,410
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,632,750)	2,125,073

The notes form part of these financial statements

Thamesdown Transport Limited (REGISTERED NUMBER: 1997617)

Statement of Financial Position
31 March 2012

	Notes	2012 £	2011 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,955,136	9,435 665
Investments	10	1,200	1,200
Deferred tax	20	614,500	524,880
		9,570,836	9,961,745
CURRENT ASSETS			
Inventories	11	195,795	200,342
Trade and other receivables	12	661,128	616,633
Cash and cash equivalents	13	330,993	941,750
		1,187,916	1,758,725
TOTAL ASSETS		10,758,752	11,720,470
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	14	1,489,000	1,489,000
Capital contribution reserve	15	4,635,000	3,700,000
Retained earnings	15	(1,812,928)	(180,177)
TOTAL EQUITY		4,311,072	5,008,823
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	16	125,951	60,457
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	1,061,171	1,615,483
Pension liability	21	2,458,000	1,944,000
Deferred tax	20	710,664	726,875
		4,355,786	4,346,815
CURRENT LIABILITIES			
Trade and other payables	16	1,237,052	1,316,046
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	945,479	958,352
Tax payable		(90,637)	90,434
		2,091,894	2,364,832
TOTAL LIABILITIES		6,447,680	6,711,647
TOTAL EQUITY AND LIABILITIES		10,758,752	11,720,470

Statement of Financial Position
31 March 2012

The financial statements were approved by the Board of Directors on 4/9/12 and were signed on its behalf by

P R Jenkins - Director

C Lovell - Director

Statement of Changes in Equity for the Year Ended 31 March 2012

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Total equity £
Balance at 1 April 2010	1,489,000	(2,305,251)	-	(816,251)
Changes in equity				
Capital contribution from parent	-	-	4,000,000	4,000,000
Total comprehensive income	-	2,125,073	-	2,125,073
Dividend distribution	-		(300,000)	(300,000)
Balance at 31 March 2011	1,489,000	(180,178)	3,700,000	5,008,822
Changes in equity				
Capital contribution from parent	-	-	935,000	935,000
Total comprehensive income	-	(1,632,750)	-	(1,632,750)
Balance at 31 March 2012	1,489,000	(1,812,928)	4,635,000	4,311,072

The notes form part of these financial statements

Thamesdown Transport Limited

Statement of Cash Flows
for the Year Ended 31 March 2012

	Notes	2012 £	2011 £
Cash flows from operating activities			
Cash generated from operations	1	624,705	1,581,317
Interest paid		(62)	(729)
Interest element of finance lease payments paid		(114,954)	(145,147)
Tax paid		(90,637)	(56,975)
Net cash from operating activities		419,052	1,378,466
Cash flows from investing activities			
Purchase of tangible fixed assets		(73,540)	(529,693)
Sale of tangible fixed assets		10,000	196,375
Interest received		2,300	1,373
Net cash from investing activities		(61,240)	(331,945)
Cash flows from financing activities			
Capital repayments in year		(968,569)	(1,039,534)
Equity dividends paid		-	(300,000)
Net cash from financing activities		(968,569)	(1,339,534)
Decrease in cash and cash equivalents		(610,757)	(293,013)
Cash and cash equivalents at beginning of year	2	941,750	1,234,763
Cash and cash equivalents at end of year	2	330,993	941,750

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31 March 2012

1 RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2012	2011
	£	£
(Loss)/profit before income tax	(184,015)	1,913,319
Depreciation charges	955,461	1,039,484
Profit on disposal of fixed assets	(10,000)	(155,875)
Finance costs	1,108,016	1,265,876
Finance income	(1,076,300)	(810,373)
	793,162	3,252,431
Decrease/(increase) in inventories	4,547	(6,284)
Increase in trade and other receivables	(44,494)	(22,229)
(Decrease)/increase in trade and other payables	(13,510)	217,399
Difference between pension charge and cash contributions	(115,000)	(1,860,000)
Cash generated from operations	624,705	1,581,317

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 31 March 2012

	2012	2011
	£	£
Cash and cash equivalents	330,993	941,750

Year ended 31 March 2011

	2011	2010
	£	£
Cash and cash equivalents	941,750	1,234,763

1 ACCOUNTING POLICIES

Basis of preparation
Thamesdown Transport Limited is domiciled in the UK These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2012

The financial statements have been prepared on a going concern basis In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future The Directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future, and continue to adopt the going concern basis in preparing its financial statements

These financial statements are presented in British Pounds (GBP), which is the company's functional and presentational currency

Use of estimates and judgements
The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses Although these estimates are based on management's best knowledge, the actual results may differ from these estimates

The key assumptions concerning the future and other key sources of estimation uncertainty 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, are discussed below

Pension benefits

The costs of defined benefit pension schemes are determined using actuarial valuations The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases Due to the long term nature of these schemes, such estimates are subject to significant uncertainty Further details are given in the financial statements

Property, plant and equipment
All property, plant and equipment is stated at historic cost less accumulated depreciation Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset

Buildings comprises of vehicle depots, garages and offices All property, plant and equipment are depreciated on a straight line basis over their useful lives at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life Depreciation rates used are as follows

Leasehold land and buildings	- 2% on a straight line basis
Plant, machinery and equipment	- 10% - 20% on a straight line basis
Vehicles	- 5 to 15 years

Useful lives and residual values are reviewed annually, and adjusted if appropriate, at the end of each reporting period Residual values are based on the estimated amount which would be currently obtainable from disposal of the asset net of disposal costs if the asset were already of the age and condition expected at the end of its useful life

The carrying values of property, plant and equipment 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 An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

continued

1 **ACCOUNTING POLICIES - continued**

Repairs and maintenance are charged to the income statement during the financial position in which it was incurred

An item of property, plant and equipment 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

Financial assets

Financial assets are cash or the contractual right to receive cash or other financial assets from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount Provision is made 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

Financial liabilities

A financial liability exists where there is a contractual obligation to deliver cash or other financial assets to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable economic conditions In addition contracts which result in the company delivering a variable number of its own equity instruments are financial liabilities Equity instruments containing such obligations are classified as financial liabilities

Trade and other payables

Trade payables are recognised and carried at their original invoiced value Payables are not discounted to take into account the time value of money, as the effect is immaterial

Cash and cash equivalents

Cash comprises of cash on hand and demand deposits Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

Inventories

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

The cost of inventories is based on the first-in first-out basis Net realisable value is based on estimated selling price less any further costs to be expected to be incurred on disposal

continued

1 **ACCOUNTING POLICIES - continued**

Income tax
Income tax expense comprises of current and deferred tax Current tax and deferred tax are recognised in the income statement, except to the extent that it relates to items directly in equity or other comprehensive income

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted at the reporting date, and including any adjustment to tax payable or receivable in respect of previous periods

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

Leases
Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments The corresponding liability to the leasing company is included as an obligation under finance leases

Subsequently the leased assets are treated in accordance with IAS 16 "Property, Plant and Equipment"

All other leases are operating leases These are not recognised in the Company's statement of financial position Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease, unless another systematic method is more representative of the time pattern of the user's benefit

Pensions and other post-retirement benefits
The company operates various pension schemes In respect of all those employees who transferred to the company from previous employment with Swindon Borough Council, the company participates in the Local Government Pension Scheme, which is a contributory pension scheme to provide retirement benefits based on final emoluments to all employees

For other employees, who were not eligible to join the above scheme, the company provided a separate defined benefit scheme, The Thamesdown Transport Limited Pension Scheme This scheme is now maintained as a "closed scheme" from 31 March 2001

A Group Personal Pension Scheme is available to all staff for employment periods commencing from 1 April 2001 onwards This is a defined contribution scheme and the company's contributions to the scheme are charged to the income statement in the period which they become payable

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme The Company's net obligation in respect of the defined benefit schemes is calculated separately for each scheme by independent actuaries using the projected unit credit method The net obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to its present value Any unrecognised past service costs and the fair value of any scheme assets are deducted

continued

1 **ACCOUNTING POLICIES - continued**

In respect of the two defined benefit schemes above, the full service cost of pension provision for the period, together with the cost of any benefits relating to past service is charged to the income statement The expected increase in the present value of scheme liabilities and the long-term expected return on assets based on the market value of the scheme assets at the start of the period, are included in the income statement under 'other finance costs' The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the statement of financial position Any difference between the expected return on assets and that achieved is recognised in other comprehensive income together with the difference from experience or assumption changes

The company has applied the option in IAS 19 to recognised actuarial gains and losses in full in other comprehensive income in the period in which they occur

Accident claims

The company maintains full insurance cover against all third party and employee liability claims A motor vehicle insurance fund has been established towards which the company pays 60% to the insurers of the agreed fund The directors review the potential claims on a regular basis and where necessary make a provision in the financial statements for any additional potential liabilities in excess of the fund amount Credit for pending claims is taken on the basis of an assessment of the likely value of the ultimate payment

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes All revenue is derived from within the United Kingdom

Bus services

All revenue is derived from bus services Bus services revenue comprises amounts receivable from bus ticket sales and associated concessions, net of any rebates and sales tax This is recognised as the services are provided The relevant share of season tickets and travelcard income is deferred within liabilities and released into the income statement over the life of the season ticket or travel card

Government grants

Government grants relating to property, plant and equipment are treated as deferred income within liabilities and are recognised in the statement of comprehensive income in other operating income on a systematic basis over the useful life of the asset Other grants are credited to the income statement as the related expenditure is expensed Any other forms of Government assistance are disclosed in the notes to the financial statements Unfulfilled conditions and any other contingencies relating to government assistance are disclosed in the notes to the financial statements

Finance income

Finance income revenue is recognised as interest accrued using the effective interest method The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying value

continued

1 **ACCOUNTING POLICIES - continued**

Dividends
Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the company's shareholders

New standards and interpretations not applied
The IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements

International Accounting Standards (IAS/IFRSs)	Effective date *
IAS 12 Amendment Deferred tax Recovery of Underlying Assets	1 January 2012
IAS 1 Presentation of items in other comprehensive income	1 July 2012
IFRS 9 Financial instruments	1 January 2013
IFRS 13 Fair value measurement	1 January 2013
IAS 19 Employee Benefits	1 January 2013

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the entity
* The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations

IFRS 9 is part of the IASB's wider project to replace IAS 39 and retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets amortised cost and fair value The standard is effective for annual periods beginning on or after 1 January 2013 and the Company is currently assessing its impact on the financial statements, although it is not expected to be material

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Company's financial statements in the period of initial application

As the Company has elected to prepare its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's decision to early adopt standards

2 **SEGMENTAL REPORTING**

IFRS 8 requires operating segments to be identified on the basis of internal management reports about components of the company to allocate resources to the segments and to assess their performance

During the current and prior year the company operated in one business and geographical segment, bus services in the Swindon area

3 **OTHER OPERATING INCOME**

	2012	2011
	£	£
Advertising revenue	41,333	55,566
Sundry receipts	42,753	48,286
Deferred income	36,104	33,407
External engineering work	123,480	148,396
	243,670	285,655

4 EMPLOYEES AND DIRECTORS

	2012	2011
	£	£
Wages and salaries	5,539,135	5,577,406
Social security costs	502,677	506,043
Other pension costs	96,509	71,222
	6,138,321	6,154,671

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

	2012	2011
Drivers	178	182
Maintenance and engineering staff	31	40
Other staff	38	39
	247	261

	2012	2011
	£	£
Directors' remuneration	206,865	208,707
Directors' pension contributions to money purchase schemes	2,500	2,451

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	1	1
Defined benefit schemes	2	2

Information regarding the highest paid director is as follows

	2012	2011
	£	£
Emoluments etc	83,331	90,138
Pension contributions to money purchase schemes	2,500	2,451

5 NET FINANCE COSTS

	2012	2011
	£	£
Finance income		
Deposit account interest	2,300	1,373
Expected return on pension scheme assets	1,074,000	809,000
	1,076,300	810,373
Finance costs		
Other interest payable	62	729
Leasing	114,954	145,147
Interest on pension scheme liabilities	993,000	1,120,000
	1,108,016	1,265,876
Net finance costs	31,716	455,503

continued

6 (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2011 - profit before income tax) is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	283,472	295,712
Depreciation - assets on finance leases	675,569	743,772
Profit on disposal of fixed assets	(10,000)	(155,875)
Auditors' remuneration	16,845	15,275
Auditors' remuneration - other assurance services	1,258	775
Auditors' remuneration - other services	10,295	6,356
Operating leases	3,726	3,780

7 INCOME TAX

Analysis of tax expense

	2012	2011
	£	£
Current tax		
Tax	(90,434)	90,434
Deferred tax		
Movement in accelerated tax allowances	12,217	9,366
Deferred tax on pension scheme	305,370	1,513,720
Change in tax rates	(62,948)	(21,863)
Total deferred tax	254,639	1,501,223
Total tax expense in statement of comprehensive income	164,205	1,591,657

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2012	2011
	£	£
(Loss)/profit on ordinary activities before income tax	(184,015)	1,913,320
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	(47,844)	535,729
Effects of		
Deferred tax asset derecognised - pension scheme	243,100	1,080,000
Change in deferred tax rates - pension scheme	(34,520)	(21,863)
Change in deferred tax rates - other timing differences	(28,427)	(3,463)
Marginal tax relief	45	(7,033)
Other timing differences	31,648	8,287
Prior year tax overpaid	203	-
Tax expense	164,205	1,591,657

continued

7 **INCOME TAX - continued**

Tax effects relating to effects of other comprehensive income

	Before tax	2012 Tax	After tax
	£	£	£
Actuarial gain/(loss) on pension scheme	(1,645,000)	360,470	(1,284,530)
	(1,645,000)	360,470	(1,284,530)

	Before tax	2011 Tax	After tax
	£	£	£
Actuarial gain/(loss) on pension scheme	2,540,000	(736,590)	1,803,410
	2,540,000	(736,590)	1,803,410

8 **DIVIDENDS**

	2012	2011
	£	£
Interim	-	300,000

9 **PROPERTY, PLANT AND EQUIPMENT**

	Leasehold land and buildings	Plant, machinery and equipment	Furniture, fittings and electronic equipment	Vehicles	Totals
	£	£	£	£	£
COST					
At 1 April 2011	4,356,892	850,908	1,203,713	8,857,749	15,269,262
Additions	-	22,872	50,668	401,384	474,924
Disposals	-	-	-	(2,500)	(2,500)
At 31 March 2012	4,356,892	873,780	1,254,381	9,256,633	15,741,686
DEPRECIATION					
At 1 April 2011	492,835	554,993	1,000,179	3,785,590	5,833,597
Charge for year	87,136	53,749	78,234	739,922	959,041
Eliminated on disposal	-	-	(3,588)	(2,500)	(6,088)
At 31 March 2012	579,971	608,742	1,074,825	4,523,012	6,786,550
NET BOOK VALUE					
At 31 March 2012	3,776,921	265,038	179,556	4,733,621	8,955,136
At 31 March 2011	3,864,057	295,915	203,534	5,072,159	9,435,665

Total depreciation charge on leased vehicles in the year was £680,144 (2011 - £703,309)

The net book value of Vehicles includes £4,313,687 (2011 - £4,587,872) in respect of assets held under finance leases

The company's finance leases are secured by a fixed charge over the company's leased assets

continued

10 INVESTMENTS

The company has subscribed to the formation of 'Transport Information Finance Limited' which is a not for profit organisation whose principle aim is to provide funding for a call centre for the Public Transport Information Service Subscription is by way of loan finance of £1,100 and shares subscription of £100

11 INVENTORIES

	2012	2011
	£	£
Fuel and parts	195,795	200,342

12 TRADE AND OTHER RECEIVABLES

	2012	2011
	£	£
Current		
Trade receivables	307,239	259,003
Other receivables	225,787	212,180
Prepayments and accrued income	128,102	145,450
	661,128	616,633

Trade receivables are denominated in sterling They are non-interest bearing and are generally on 30 days' terms As at 31 March 2012 none of the trade receivables balance was considered impaired (2011 - £nil)

At 31 March, the analysis of trade receivables that were past due but not impaired is as follows

	Total	Neither past due nor impaired	Past due but not impaired 0-30 days	30-60 days	60+ days
	£	£	£	£	£
2012	307,238	262,905	3,785	3,204	37,344
2011	259,003	231,987	7,463	1,055	18,498

13 CASH AND CASH EQUIVALENTS

	2012	2011
	£	£
Bank accounts	330,993	941,750

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012	2011
			£	£
1,489,000	Ordinary	£1	1,489,000	1,489,000

continued

15 RESERVES

	Retained earnings £	Capital contribution reserve £	Totals £
At 1 April 2011	(180,178)	3,700,000	3,519,822
Deficit for the year	(348,220)		(348,220)
Actuarial gain on defined benefit pension scheme deficit	(1,645,000)	-	(1,645,000)
Movement on deferred tax relating to actuarial gain on pension scheme deficit	360,470	-	360,470
Capital contribution by parent	-	935,000	935,000
At 31 March 2012	(1,812,928)	4,635,000	2,822,072

Retained earnings excluding pension liability	645,072
Pension deficit	(2,458,000)
Retained earnings	(1,812,928)

16 TRADE AND OTHER PAYABLES

	2012 £	2011 £
Current		
Trade payables	262,892	327,060
Other payables and accruals	786,762	835,542
Accruals and deferred income	187,398	153,444
	1,237,052	1,316,046
Non-current		
Accruals and deferred income	125,951	60,457
Aggregate amounts	1,363,003	1,376,503

continued

16 TRADE AND OTHER PAYABLES - continued

Accruals and deferred income

Accruals and deferred income above includes deferred government grants the details of which are as follows,

	NHS grant	SBC	SWSAL	Total grant
	£		£	£
At 1 April 2011	83,863			83,863
Additional deferred income		15,000	112,000	127,000
Released in year	(23,406)	(1,500)	(11,200)	(36,106)
At 31 March 2012	60,457	13,500	100,800	174,757
Current	23,406	3,000	22,400	48,806
Non-current	37,051	10,500	78,400	125,951
At 31 March 2012	60,457	13,500	100,800	174,757

During 2002/03, £280,851 was received from the NHS to grant-aid the purchase of three low floor single-deck vehicles to be used for the commercial operation of the Hospital Express service 16 This grant is to be credited to the income statement over 12 years being the expected useful life of the vehicles acquired

During the year an additional two grants were received, both for the purchase of new ticketing equipment The company received £15,000 from Swindon Borough Council (SBC) and £112,000 from South West Smart Applications Ltd (SWSAL) The grant is being credited to the income statement over 5 years, being the expected useful life of the equipment In the year only 50% of the provison was released as it was not received until September 2011

17 FINANCIAL LIABILITIES - BORROWINGS

	2012	2011
	£	£
Current		
Finance leases (see note 18)	945,479	958,352
Non-current		
Finance leases (see note 18)	1,061,171	1,615,483

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Finance leases	945,479	489,556	571,259	356	2,006,650

18 LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows

	2012	2011
	£	£
Gross obligations repayable		
Within one year	1,025,903	1,061,507
Between one and five years	1,120,980	1,705,424
In more than five years	356	6,338
	2,147,239	2,773,269
Finance charges repayable		
Within one year	80,424	103,155
Between one and five years	60,165	96,279
	140,589	199,434
Net obligations repayable		
Within one year	945,479	958,352
Between one and five years	1,060,815	1,609,145
In more than five years	356	6,338
	2,006,650	2,573,835

The following operating lease payments are committed to be paid

	Land & Buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Between one and five years	-	-	2,442	4,507
In more than five years	102,790	102,790	2,065	-
	102,790	102,790	4,507	4,507

On 11 July 2005 the company entered into a 150 year lease with Swindon Borough Council for its Barnfield premises Rent reviews will be carried out at the end of each fifth anniversary of the lease with the first rent review occurring on 11 July 2015 The company has the option to terminate the lease giving six months notice prior to the 50th and 100th anniversary of the lease date

continued

19 **FINANCIAL INSTRUMENTS**

The Company's principal financial instruments comprise cash and finance leases, The principal purpose of these financial instruments is to provide finance for the Company's operations The Company has various other financial instruments such as trade receivables and trade payables that arise directly from its operations

Interest rate risk

As the company has no significant interest-bearing assets, other than cash and cash equivalents, the Company's income and operating cash flows are substantially independent of changes in market interest rates

Liquidity risk

The company is primarily financed by cash and finance leases

Cash flow forecasts are produced to assist management in identifying liquidity requirements and are stress tested for possible scenarios Cash balances are invested such that they are readily available to settle short-term liabilities or fund capital additions

The maturity profile for the finance leases is included in the finance lease note

Credit risk

There are no significant concentrations of credit risk with the Company The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the balance sheet date

Trade and other receivables comprise a number of individual amounts due from customers and are shown net of a provision for doubtful debts Due to the nature of the customers there are no concerns about their ability to pay and historically bad debts have been low

Fair value of financial assets and liabilities

There is no difference between the fair value and the book value of the financial assets and liabilities at the year end

20 **DEFERRED TAX**

	2012	2011
	£	£
Balance at 1 April	201,995	(2,035,818)
Charged to income statement	254,639	1,501,223
Charged to other comprehensive income	(360,470)	736,590
Balance at 31 March	96,164	201,995

continued

20 DEFERRED TAX - continued

Deferred tax assets and liabilities are summarised as follows,

	2012	2011
	£	£
Deferred tax assets:		
Pension scheme	614,500	524,880
Deferred tax liabilities		
Rolled over gain	647,270	673,161
Accelerated tax allowances	63,394	53,714
	710,664	726,875
Total deferred tax (asset) / liability	96,164	201,995

21 EMPLOYEE BENEFIT OBLIGATIONS

Up to 31 March 2001 the Company operated two defined benefit pension schemes, which were funded by the payment of contributions to separately administered funds As at 31 March 2001 the Company Pension Fund was 'closed' and a new Group Personal Pension Scheme commenced on 1 April 2001 for future service of contributing members

In respect of those employees who transferred to the company from previous employment with Swindon Borough Council, the company participates in the Local Government Pension Scheme

The Company's best estimate of its likely contributions to the defined benefit schemes in the year commencing 1 April 2012 is £650,100

The amounts recognised in the statement of financial position are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Present value of funded obligations	(19,455,000)	(18,239,000)
Fair value of plan assets	17,204,000	16,489,000
	(2,251,000)	(1,750,000)
Present value of unfunded obligations	(207,000)	(194,000)
Deficit	(2,458,000)	(1,944,000)
Net liability	(2,458,000)	(1,944,000)

continued

21 **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in the income statement are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Current service cost	129,000	148,000
Interest cost	993,000	1,120,000
Expected return	(1,074,000)	(809,000)
Past service cost	-	(1,500,000)
	48,000	(1,041,000)
Actual return on scheme assets	380,000	1,047,000

The current and past service costs are included within administrative expenses The interest cost is included within finance costs The expected return on scheme assets is included within finance income

Changes in the present value of the defined benefit obligation are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Opening defined benefit obligation	18,433,000	21,965,000
Current service cost	129,000	148,000
Past service cost	-	(1,500,000)
Contributions by scheme participants	34,000	36,000
Interest cost	993,000	1,120,000
Actuarial losses/(gains)	951,000	(2,302,000)
Benefits paid	(878,000)	(1,034,000)
	19,662,000	18,433,000

Changes in the fair value of scheme assets are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Opening fair value of scheme assets	16,489,000	11,932,000
Contributions by employer	244,000	508,000
Contributions by scheme participants	34,000	36,000
Contribution by parent undertaking	935,000	4,000,000
Expected return	1,074,000	809,000
Actuarial gains/(losses)	(694,000)	238,000
Benefits paid	(878,000)	(1,034,000)
	17,204,000	16,489,000

continued

21 **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised within other comprehensive income are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Actuarial gains/(losses)	(1,645,000)	2,540,000
Deferred tax on actuarial gains and losses	360,470	(736,590)
	(1,284,530)	1,803,410
Cumulative amount of actuarial gains/(losses)	(4,184,000)	(2,539,000)

The major categories of scheme assets as amounts of total scheme assets are as follows

	Defined benefit pension scheme	
	2012	2011
	£	£
Equities	11,837,000	11,217,000
Gilts	258,000	231,000
Bonds	2,890,000	2,876,000
Property	1,608,000	1,582,000
Cash	611,000	583,000
	17,204,000	16,489,000

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages)

	The Thamesdown Transport Limited Pension Scheme		Local Government Pension Scheme relating to the Company	
	2012	2011	2012	2011
Discount rate	4 6%	5 5%	4 8%	5 5%
Expected return on scheme assets	6 0%	6 3%	5 5%	6 7%
Future salary increases	3 2%	3 7%	4 8%	5 1%
Future pension increases	3 1%	3 5%	2 5%	2 8%

A breakdown of the expected return on scheme assets by category is as follows

	The Thamesdown Transport Limited Pension Scheme		Local Government Pension Scheme relating to the Company	
	2012	2011	2012	2011
Equities	6 6%	6 6%	6 2%	7 5%
Gilts	-	4 4%	-	-
Bonds	4 6%	5 5%	4 0%	4 9%
Property	6 6%	6 6%	4 4%	5 5%
Cash	0 5%	0 5%	3 5%	4 6%

continued

21 **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The mortality assumptions in respect of the schemes are set out below

	The Thamesdown Transport Limited Pension Scheme		Local Government Pension Scheme relating to the Company	
	Males	Females	Males	Females
Mortality (in years at age 65)				
Current pensioners	23 1	24 9	21 3	23 6
Future pensioners	24 5	26 4	23 3	25 5

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below

	The Thamesdown Transport Limited Pension Scheme		Local Government Pension Scheme relating to the Company	
Assumption	Change in assumption	Impact on scheme liabilities	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/Decrease by 0 5%	Decrease/Increase by 10%/12%	Decrease by 0 5%	Increase by 7%
Life expectancy	-	-	Increase by 1 year	Increase by 3%
Salary increase rate	Increase/Decrease by 0 5%	Decrease/Increase by 7%/6%	Increase by 0 5%	Increase by 1%
Pension increase rate	-	-	Increase by 0 5%	Increase by 6%

The Thamesdown Transport Limited Pension Scheme

The expected return on the assets of 6 0% was derived from the weighted expected return on each of the major categories of assets

The expected annual return on equities (and the small element of property) has been taken to be 6 6% This has been derived as the yield on the FTSE--Actuaries All Share Index at the reporting date date plus an allowance for dividends to increase in line with the assumed rate of inflation The expected return on cash and net current assets has been taken to be 0 5%, which is equal to the Bank of England base rate at the year-end

Local Government Pension Scheme relating to the Company

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period The assumptions used are derived from the HRAM model, the proprietary stochastic model developed and maintained by Hymans Robertson LLP

The HRAM model for equity returns is based on total returns which are specified by a risk premium relative to cash The expected return provided by Hymans Robertson LLP is the average annualised total returns over twenty years

The scheme closed to pensionable employees from 31st March 2012 On 1st April 2012 the assets and liabilities of this fund transfer to Swindon Borough Council

continued

21 **EMPLOYEE BENEFIT OBLIGATIONS - continued**

Amounts for the current and previous three periods are as follows

	2012	2011	2010	2009
	£	£	£	£
Defined benefit pension scheme				
Defined benefit obligation	(19,662,000)	(18,433,000)	(21,965,000)	(15,263,000)
Fair value of scheme assets	17,204,000	16,489,000	11,932,000	9,446,000
Deficit	(2,458,000)	(1,944,000)	(10,033,000)	(5,817,000)
Experience adjustments on scheme liabilities	(256,000)	248,000	(16,000)	5,000
Experience adjustments on scheme assets	694,000	238,000	2,233,000	(3,510,000)

Defined contribution scheme

The company participates in a defined contribution scheme The cost to Thamesdown Transport Limited in employer's contributions was £99,658 (2011 - £86,244)

22 **ULTIMATE PARENT COMPANY**

The directors regard the ultimate parent undertaking to be Swindon Borough Council

23 **CONTINGENT LIABILITIES**

Insurance fund
The company maintains full insurance cover against all third party and employee liability claims A motor vehicle insurance fund has been established towards which the company pay 60% to the insurers of the agreed fund Each year the directors review the level of outstanding claims and consider the need for any provisions in the financial statements for claims in excess of the amounts already paid into the fund At 31 March 2012 the directors consider that adequate provision has been made for insurance claims made against the company

Indemnities
The company has lodged counter indemnities of £2,500 (2011 - £2,500) with Lloyds TSB Bank plc in favour of National Express Coaches in respect of ticket sales

24 **CAPITAL COMMITMENTS**

Capital expenditure contracted for at the end of the reporting period but not provided for in these financial statements is as follows,

	2012	2011
	£	£
Property, plant & equipment	799,242	501,500

25 **RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in IAS24 "Related party disclosures" from disclosing balances and transactions with its ultimate controlling party, on the basis that it is included in the consolidated financial statements of Swindon Borough Council Copies of the consolidated financial statements of Swindon Borough Council can be obtained from www swindon gov uk

continued

26 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY

	2012	2011
	£	£
(Loss)/profit for the financial year	(348,220)	321,662
Dividends	-	(300,000)
	(348,220)	21,662
Other comprehensive income	(1,284,530)	1,803,410
Capital contribution from parent	935,000	4,000,000
Net (reduction)/addition to shareholders' funds	(697,750)	5,825,072
Opening shareholders' funds	5,008,822	(816,250)
Closing shareholders' funds	4,311,072	5,008,822