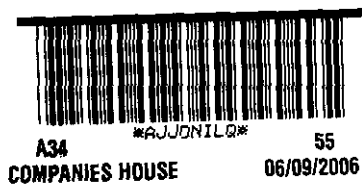


CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2005

COMPANY NO: 2644128



CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Directors	D J Kaufman (Resigned 25 January 2005) R E Ellisdon R W Floyd P G Harris D J Potter (Resigned 26 July 2005) R J Fagg J W Flynn (Appointed 24 February 2005)
Secretary	R J Fagg
Company Registration Number	2644128
Registered Office	The Station Station Approach Station Road Chinnor Oxon OX39 4ER
Accountant	SVP Associates Limited Chartered Certified Accountants Second Floor 1 Church Square Leighton Buzzard Beds LU7 1AE

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Report of the Trustees for the year ended 31 December 2005

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31 December 2005. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Objects of the charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee and is, therefore, governed by a memorandum and articles of association.

The charity's objects and its principal activities continue to be the preservation and restoration of part of the former Great Western Railway branch line from Princes Risborough to Watlington and of locomotives, rolling stock and other items of equipment for use on and in connection with the branch line and the raising of funds with which to meet the expenses incurred in those activities.

The charity is organised so that the trustees meet regularly to manage its affairs. Certain directors have specific responsibilities for overseeing aspects of the charity's business.

Trading activities associated with the charity's objectives are undertaken by Chinnor & Princes Risborough Railway Company Limited, a wholly owned subsidiary of the charity.

Developments, activities and achievements this year

Despite agreement having been reached in principle with Network Rail late in 2003 on the terms of a lease for gaining access to Princes Risborough Station, work on drawing up the necessary documentation was still in hand at the end of 2005. By the end of the year, £285,000 (including loans from members totalling £21,000) was set aside towards the cost of this project after payment of expenses incurred so far.

Following the offer of leases on certain parts of the Chinnor cement works site that would be beneficial to the Association's objects and activities, negotiations have been undertaken during the year to agree the terms of these leases.

A grant of £1,000 was received from Wycombe District Council towards the costs of gaining access to Princes Risborough station.

Future developments

The principal focus of the Association's efforts in the immediate future will be the extension of the running line into Princes Risborough station, together with the necessary refurbishment, renovation and recreation of the Watlington bay platform area. A secondary focus will be to finalise the leases relating to parts of the Chinnor cement works site.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Report of the Trustees for the year ended 31 December 2005 (cont.)

Transactions and financial position

The Statement of Financial Activities shows net income for the year of £12,286 (2004- £99,383) and our reserves standing at £553,650 (2004 - £541,364) in total at the end of the year.

Tangible fixed assets for use by the charity

Details of movements in fixed assets are set out in note 7 to the accounts.

Reserves

To the extent that the Association does not utilise the income it receives to cover routine administrative expenses and the costs of ongoing maintenance of the track, infrastructure, locomotives, rolling stock, etc. used in furtherance of its activities, its policy is to retain in reserve all residual income to provide the resources with which to meet future expenditure that may be expected not to be covered by income received at the time. Such expenditure includes:

- a. non-routine refurbishment of locomotives, rolling stock, etc;
- b. projects identified by the Association as contributing to the extension and improvement of its facilities.
- c. unforeseen large expenses.

Directors and trustees

All directors of the company listed on page 1 are also trustees of the charity and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit to do so.

Risk management

As mentioned under the 'Objects of the charity', the principal activity of the Association and its subsidiary, the Chinnor & Princes Risborough Railway Company, is the operation of a railway line. To do this, it is subject to supervision by Her Majesty's Railway Inspectorate (HMRI) under which operating rules approved by HMRI have to be in place and observed to minimise the risk of accidents. The Association also has extensive insurance cover in place for which periodic inspections are made by the insurers.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Report of the Trustees for the year ended 31 December 2005 (cont.)

Trustees' responsibilities in relation to the financial statements

The trustees are required by company law to prepare financial statements for each financial year, which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accountant

A resolution proposing reappointment of SVP Associates Limited as accountant of the charity will be put to the Annual General Meeting.

Approval

This report was approved by the board of directors and trustees on 25 April 2006 and signed on its behalf.



R W FLOYD
R W Floyd
Chairman

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

**Accountant's Report to the Board of Directors on the Unaudited Financial Statements of
Chinnor & Princes Risborough Railway Association Limited**

In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Income and Expenditure Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Chartered Association of Certified Accountants and have complied with the ethical guidance laid down by the Association relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31 December 2005 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

SVP ASSOCIATES

SVP Associates Limited
Chartered Certified Accountants
Second Floor
1 Church Square
Leighton Buzzard
Bedfordshire
LU7 1AE

CHINNOR AND PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Statement of Financial Activities for the year ended 31 December 2005

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
INCOME AND EXPENDITURE					
Income Resources					
Management fees	40,300	-	-	40,300	32,860
Membership	7,005	-	-	7,005	7,600
Fund Raising	-	9,127	12,113	21,240	116,609
Other	2,900	-	-	2,900	2,228
Donations	5,032	3,885	200	9,117	4,053
Bank Interest	399	5,026	6,980	12,405	9,868
	<u>55,636</u>	<u>18,038</u>	<u>19,293</u>	<u>92,967</u>	<u>173,218</u>
Resources Expended					
Direct Charitable Expenditure	25,562	480	-	26,042	25,736
Fund Raising	-	18	1,431	1,449	1,708
Project costs	-	19,462	10,834	30,296	-
Management – Administration	22,894	-	-	22,894	24,541
Loco Repair	-	-	-	-	21,850
Total Expenditure	<u>48,456</u>	<u>19,960</u>	<u>12,265</u>	<u>80,681</u>	<u>73,835</u>
Net Movement in Funds	7,180	(1,922)	7,028	12,286	99,383
Reserve Movements	(23,717)	1,753	21,964	0	0
Balance brought forward 1 January 2005	271,174	125,048	145,142	541,364	441,981
Balance carried forward 31 December 2005	<u>254,637</u>	<u>124,879</u>	<u>174,134</u>	<u>553,650</u>	<u>541,364</u>

The notes on pages 9 to 13 form part of these financial statements.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Balance Sheet as at 31 December 2005

	Notes	2005		2004	
		£	£	£	£
Fixed Assets					
Tangible Assets	7	265,189		271,439	
Investments	8	3		3	
		<u> </u>	265,192	<u> </u>	271,442
 Current assets					
Cash at bank and in hand		303,452		295,237	
Debtors and prepayments	9	23,119		15,179	
		<u> </u>	326,571	<u> </u>	310,416
			<u>591,763</u>		<u>581,858</u>
Creditors: amounts falling due within one year	10		24,113		22,994
Total assets less current liabilities			<u>567,650</u>		<u>558,864</u>
 Creditors: amounts falling due after more than one year	11		14,000		17,500
			<u>553,650</u>		<u>541,364</u>
			<u> </u>		<u> </u>
 Represented by:					
Restricted Funds	13		174,134		145,142
Designated Funds	14		124,879		125,048
Unrestricted Funds			254,637		271,174
			<u>553,650</u>		<u>541,364</u>
			<u> </u>		<u> </u>

Balance sheet (cont.)

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Balance Sheet as at 31 December 2005 (cont..)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.249A(1) of the Companies Act 1985. Members have not required the company, under s.249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31 December 2005. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with s.221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 2005 and of its surplus for the year then ended, in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 25 April 2006 and signed on its behalf.



R.W. Floyd J.W. FLYNN
Director

The notes on pages 9 to 13 form part of these financial statements.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements **for the year ended 31 December 2005**

1. Accounting Policies

a) Basis of preparation of accounts

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

b) Incoming resources

Voluntary income and donations are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

c) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

d) Tangible fixed assets

Individual fixed assets costing £100 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Plant and Machinery	20% straight line basis
Buildings	2% straight line basis

e) Investments

Investments are stated at cost.

f) Fund raising costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and staging of special fundraising events.

g) Expenditure on management and administration of the charity

Administration expenditure includes overheads and depreciation.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements
for the year ended 31 December 2005 (cont.)

	2005 £	2004 £
2. Donations and gifts		
Individuals	9,117 —	1,107 —
3. Cost of generating funds		
Postage, stationery & printing	1,449 —	1,708 —
4. Management & Administration		
Overheads	10,182	13,121
Depreciation	12,712	11,420
	22,894 —	24,541 —
5. Surplus for the year		
The surplus of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets -owned by the charity	12,712 —	11,420 —

6. Staff costs

The company has no paid employees.

No remuneration was paid to trustees in the year. Expenses reimbursed to trustees amounted to £Nil. (2004 - Nil).

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements **for the year ended 31 December 2005 (cont.)**

7. Tangible assets

	Land and Buildings	Plant	Total
Cost			
At 1 January 2005	234,697	137,796	372,493
Additions	-	6,462	6,462
At 31 December 2005	<u>234,697</u>	<u>144,258</u>	<u>378,955</u>
Depreciation			
At 1 January 2005	2,700	98,354	101,054
Charge for the year	900	11,812	12,712
At 31 December 2005	<u>3,600</u>	<u>110,166</u>	<u>113,766</u>
Net book values:			
At 31 December 2005	<u>231,097</u>	<u>34,092</u>	<u>265,189</u>
At 31 December 2004	<u>231,997</u>	<u>39,442</u>	<u>271,439</u>

The subsidiary company Chinnor & Princes Risborough Railway Company Limited contributed £40,300 (2004 - £32,860) by way of management charges paid for the use of the Association's assets.

	2005 £	2004 £
8. Investments		
Shares in Subsidiary Company	3	3
	<u>3</u>	<u>3</u>

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements
for the year ended 31 December 2005 (cont.)

	2005 £	2004 £
9. Debtors		
Trade debtors	23,119	15,179
	<u>23,119</u>	<u>15,179</u>
	—	—
 10. Creditors: amounts falling due within one year		
Loans from Members	21,860	19,360
Accruals	800	700
VAT	1,453	2,934
	<u>24,113</u>	<u>22,994</u>
	—	—
 11. Creditors: amounts falling due after more than one year		
Loans from Members	14,000	17,500
	—	—

12. Funds of the charity

Restricted Funds

These are funds donated to the charity for specific projects.

Designated Funds

These are funds set aside from general funds by the Trustees for specific projects.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements
for the year ended 31 December 2005 (cont.)

13. Restricted Funds

	Princes Risborough Project	BSK Carriage Fund	Total
Brought forward	145,142	-	145,142
Receipts	28,011	981	28,992
	<u>173,153</u>	<u>981</u>	<u>174,134</u>

14. Designated Funds

	Engine Maintenance Funds	Princes Risborough Project	Total
Brought forward	9,617	115,431	125,048
Receipts	2,832	(3,001)	(169)
Carried forward	<u>12,449</u>	<u>112,430</u>	<u>124,879</u>