

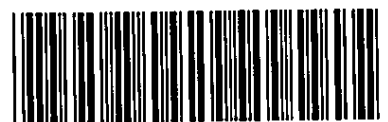
CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2006

COMPANY NO: 2644128

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CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Directors	R E Ellsdon P G Harris R J Fagg J W Flynn R W Floyd (Died 12/08/06) C I Large (Appointed 30/05/06) R Alexandre (Appointed 27/06/06)
Secretary	C I Large
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 2006

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 2006. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 2005 "Accounting and Reporting by Charities" 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

Overall 2006 was a successful year for the Association. The number of people visiting the Railway to experience travel on a heritage railway increased from the very first operating day - Mothers Day. Our family-oriented activities such as Mothers' Day, Fathers' Day, St George's Day, Santa Specials and the 'Day out with Thomas' events provide the opportunity for new generations to discover something of the operation of a heritage railway and for the older generations to reflect on, and sometimes share with us, their experiences.

During the year discussions continued with Network Rail over a lease for access to Princes Risborough Station. By the end of the year the initial outline plan required as a part of that process had been agreed. Work continued on the development of the detailed plans. At the end of the year £297,000 was set aside towards the cost of this project after payment of expenses incurred so far.

The Association was offered a signal cabin, located in a garden in Maidenhead, for possible relocation and re-erection at Chinnor. Following a very successful appeal to Members sufficient funds were raised to allow this project to commence.

In December the Chinnor Cement Works site was sold to Taylor Woodrow for re-development to housing and some industrial use. Discussions were opened with the developers regarding those issues that may be likely to affect the Association.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Report of the Trustees for the year ended 31 December 2006 (cont.)

Sadly, the year saw the deaths of the Chairman and a former Chairman. On 1st January occurred that of Don Kaufman who had a long and successful spell as Chairman influencing and developing the Association's progress until his resignation in January 2005. Then on 11th August Richard Floyd, Chairman from January 2005, passed away. The contributions made to the Association's success by both Don and Richard have been substantial and will be enduring.

Future developments

The principal focus of the Association's efforts remains the extension of the running line into Princes Risborough station. The Association will also seek to re-create the Watlington Bay platform area in an appropriate style.

With the sale and impending re-development of the Chinnor Cement Works site the Association will negotiate with the developers to ensure the continued successful operation of the Railway from its Chinnor base.

Transactions and financial position

The Statement of Financial Activities shows net income for the year of £27,839 (2005- £12,286) and our reserves standing at £581,489 (2005 - £553,650) 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.

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Report of the Trustees for the year ended 31 December 2006 (cont.)

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 the Office of the Rail Regulator (ORR) under which operating rules approved by ORR 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.

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 24 April 2007 and signed on its behalf


R J Fagg
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 2006 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 2006

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
INCOME AND EXPENDITURE					
Income Resources					
Management fees	42,350	-	-	42,350	40,300
Membership	8,516	-	-	8,516	7,005
Fund Raising	-	3,279	3,653	6,932	21,240
Other	-	-	-	-	2,900
Donations	1,020	7,258	16,040	24,318	9,117
Bank Interest	135	5,893	7,510	13,538	12,405
	<u>52,021</u>	<u>16,430</u>	<u>27,203</u>	<u>95,654</u>	<u>92,967</u>
Resources Expended					
Direct Charitable Expenditure	29,592	350	-	29,942	26,042
Fund Raising	-	2,896	491	3,387	1,449
Project costs	-	-	13,694	13,694	30,296
Management – Administration	20,792	-	-	20,792	22,894
Total Expenditure	<u>50,384</u>	<u>3,246</u>	<u>14,185</u>	<u>67,815</u>	<u>80,681</u>
Net Movement in Funds	1,637	13,184	13,018	27,839	12,286
Balance brought forward 1 January 2006	254,637	124,879	174,134	553,650	541,364
Balance carried forward 31 December 2006	<u>256,274</u>	<u>138,063</u>	<u>187,152</u>	<u>581,489</u>	<u>553,650</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 2006

	Notes	2006		2005	
		£	£	£	£
Fixed Assets					
Tangible Assets	7	258,938		265,189	
Investments	8	3		3	
		<u> </u>	258,941	<u> </u>	265,192
Current assets					
Cash at bank and in hand		323,611		303,452	
Debtors and prepayments	9	15,669		23,119	
		<u> </u>	339,280	<u> </u>	326,571
			<u>598,221</u>		<u>591,763</u>
Creditors: amounts falling due within one year	10		4,732		24,113
Total assets less current liabilities			<u>593,489</u>		<u>567,650</u>
Creditors: amounts falling due after more than one year	11		12,000		14,000
			<u>581,489</u>		<u>553,650</u>
Represented by:					
Restricted Funds	13		187,152		174,134
Designated Funds	14		138,063		124,879
Unrestricted Funds			256,274		254,637
			<u>581,489</u>		<u>553,650</u>

Balance sheet (cont)

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Balance Sheet as at 31 December 2006 (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 2006. 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 2006 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 24 April 2007 and signed on its behalf

A handwritten signature in black ink, appearing to be 'R J Fagg', written over a horizontal line.

R J Fagg
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 2006**

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 2005) and applicable accounting standards and the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 2006 (cont.)

	2006 £	2005 £
2. Donations and gifts		
Individuals	26,207	9,117
	—	—
3. Cost of generating funds		
Postage, stationery & printing	3,387	1,449
	—	—
4. Management & Administration		
Overheads	8,080	10,182
Depreciation	12,712	12,712
	20,792	22,894
	—	—
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	12,712
	—	—

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 (2005 - Nil)

CHINNOR & PRINCES RISBOROUGH RAILWAY ASSOCIATION LIMITED

Notes to the financial statements **for the year ended 31 December 2006 (cont.)**

7. Tangible assets

	Land and Buildings	Plant	Total
Cost			
At 1 January 2006	234,697	144,258	378,955
Additions	-	6,461	6,461
At 31 December 2006	<u>234,697</u>	<u>150,719</u>	<u>385,416</u>
Depreciation			
At 1 January 2006	3,600	110,166	113,766
Charge for the year	900	11,812	12,712
At 31 December 2006	<u>4,500</u>	<u>121,978</u>	<u>126,478</u>
Net book values			
At 31 December 2006	<u>230,197</u>	<u>28,741</u>	<u>258,938</u>
At 31 December 2005	<u>231,097</u>	<u>34,092</u>	<u>265,189</u>

The subsidiary company Chinnor & Princes Risborough Railway Company Limited contributed £42,350 (2005 - £40,300) by way of management charges paid for the use of the Association's assets

	2006 £	2005 £
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 2006 (cont.)

	2006 £	2005 £
9. Debtors		
Trade debtors	15,669	23,119
	<u>15,669</u>	<u>23,119</u>
10. Creditors: amounts falling due within one year		
Loans from Members	3,000	21,860
Accruals	900	800
VAT	832	1,453
	<u>4,732</u>	<u>24,113</u>
11. Creditors: amounts falling due after more than one year		
Loans from Members	12,000	14,000
	<u>12,000</u>	<u>14,000</u>

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 2006 (cont.)

13. Restricted Funds

	Princes Risborough Project	BSK Carriage Fund	Signal Box	Total
Brought forward	173,153	981	-	174,134
Receipts	456	3,061	9,501	13,018
	<u>173,609</u>	<u>4,042</u>	<u>9,501</u>	<u>187,152</u>

14. Designated Funds

	Engine Maintenance Funds	Princes Risborough Project	Total
Brought forward	12,449	112,430	124,879
Receipts	1,839	11,345	13,184
Carried forward	<u>14,288</u>	<u>123,775</u>	<u>138,063</u>