

## **4110 rescue, response to questions raised.**

There have been a number of questions raised by people who have already, or might consider, pledging money towards the proposed plan to secure 4110 for future use on the West Somerset Railway.

We are aware of a few given facts that we have no control over: -

1. We understand that the Board of Directors have already agreed to sell the locomotive at the earliest opportunity.
2. Offer(s) in the region of £100,000 are already on the table from external purchasers. If accepted the locomotive will no longer be available for use on the WSR in the future, except at normal commercial hire rates.
3. The Board of Directors need to raise working capital, they have firmly expressed to us a commitment to dispose of the locomotive in January 2019.
4. We have no option to extend the timescale for negotiations.
5. We have no option to negotiate the asking price of £100,000.
6. We have no option to negotiate the payment terms.
7. VAT will have to be paid on the asking price. Registration for VAT will overcome this problem.

The following details the typical questions we have received.

### **Why not purchase through the WSRA?**

The WSRA are aware of our ambitions and we hope that they may yet be able to offer some form of assistance in the future. This is a significant sum of money for which they would probably have to agree expenditure at a Trustee's meeting, and even circulate the membership. Timescale does not permit this delay.

We have already discussed with a representative of the Association the continued presence of 4110 within the locomotive Restoration Fund and have received positive feedback.

### **Why not establish as a charity?**

Establishing as a charity would maximize income, but with only 3 weeks available to us the administration would probably prove too much within the available time. In addition it would restrict the options available to us in the future. Possible options that have already been suggested include.

- Restoring the locomotive to working order and hire to the WSR plc.
- Sell the locomotive un-restored at a later date to the WSRA.
- Sell the locomotive un-restored at a later date back to the WSR plc once the current issues have been resolved.
- There will be other options that have not yet been raised or discussed, evolving into a charity may well be one to consider.

So far we have concentrated on securing the ownership of the locomotive to avoid it being lost. It will be for those people who have invested their money into it to decide the way forward following purchase from the WSR plc.

### **What are the M and A going to look like?**

We have a process ready in place to form a private limited company once we have sufficient interest to cover the purchase cost. The M&A's (rules of the company) will reflect the fundamental wish that 4110 will be a long term locomotive for the West Somerset Railway. We will incorporate sections to avoid loss of control and we have already discussed limiting individual share holdings to a 20% level. We will be seeking advice and best practice from similar locomotive owning groups and the Heritage Railway Association to assist us.

### **Has the PLC committed to a hire agreement?**

No but we do have a provisional offer for the locomotive to remain on the WSR on a 6 month rolling notice basis. It would be unreasonable to expect the WSR plc to enter into an open-ended hire agreement at this stage.

### **Can we set up further monthly payments afterwards to support overhaul?**

This will be for the shareholders of the new private limited company to decide. It certainly is one to consider, especially if pressing on with full restoration is the agreed future. It is not an option as a means of funding the immediate purchase due to the time available.

### **How is it going?**

We are making good progress and reached 50% of the required funds in the first 48 hours. The next 50% will be harder and we know that we will need all of the support and good will that people are able to offer. If you have not already done so please email Chris Ruddick on [gwr4110@gmail.com](mailto:gwr4110@gmail.com) with your contact details and the value of your proposed contribution.

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