



# West Somerset Railway Association

**DRAFT Minutes of the Fifteenth Annual General Meeting held on Saturday 11th July 2009 at the Village Hall, Bishops Lydeard at 14.00.**

**Present:**

Chairman  
D. Holmes

Directors and Trustees

D. Bishop  
P. Conibeare  
M. Davies  
P. Gardiner  
D. Randall  
S. Roberts  
D. Williams

Speaker

Mark Smith Chairman, WSR plc

Staff

A. Hall-Roberts  
S. Kaufman  
K. Sandford

69 Members in total including 12 members named above

Item

The Chairman welcomed everybody, thanked them for coming and for taking an interest in their Association. Particularly welcomed was guest speaker Mark Smith, now Chairman of the plc, but called away unexpectedly and unavoidably absent was Paul Hake of auditors Albert Goodman.

**1 Notice convening the meeting**

The Chairman asked the Secretary to read the Notice convening the Meeting. This would be for the last time and in future the Notice would be taken as read having been circulated prior to the meeting to all members via the Journal. The Secretary read the Notice convening the Meeting.

**2 Apologies for Absence and Confirmation of Proxies**

Apologies for absence had been received from Directors and Trustees G. Cross and I. Aldridge. Fifteen other members had tendered apologies for absence. Thirty-five members had submitted proxy forms authorising the Chairman to vote on their behalf for the three resolutions on the Agenda.

**3 Minutes of the fourteenth Annual General Meeting held on Saturday 12th July 2008**

Amendments were made to the Minutes to correct the composition of the WSRA Committee and the order of events during the election of directors. With members' agreement, the Chairman duly signed the Minutes as a true record of the last Annual General Meeting.

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#### 4 **Matters arising from the Minutes**

There being no matters arising from the Minutes of the last meeting, the Chairman moved to the next item, his report.

#### 5 **WSRA Chairman's report**

'Not one of our best years nor one we would wish to repeat but memorable none the less for all sorts of reasons'. So began the Chairman's report on 2008 and he went on to say 'due to your continued support, encouragement, effort and sheer hard work, we were able to pass through some turbulent times and emerge into 2009 for what has so far proven to be a very different and altogether more successful year'.

Noting that in 2008 locomotives had featured highly in our activities, the Chairman spoke of the hugely successful and extremely professional completion of Braunton for launch in September, a testament to the capabilities of Williton Restorations. 6412 had been sold and moved back down the road to the South Devon whilst our next locomotive is 7821 Ditchheat Manor, currently residing at Williton, where an examination of the boiler and paperwork was unfortunately insufficient to gain the extension to the boiler certificate as had been hoped. The Chairman promised to return to the subject of Ditchheat but wanted to review other aspects of the Association's business first.

The 2008 Steam Rally was a most successful event on its new site at Norton and the 2009 Rally would hopefully see the new platform ready for service. The Chairman encouraged us not to go home without experiencing the richness and variety of the WSRA notably contributed to by John Pearce in the shop, Ian Coleby in the Gauge Museum, the handiwork of RAMS and the welcome of our Station staff.

The Association faces challenges and the Chairman now spoke of some of these and what is being done to address them. The balance sheet shows that the Association has funds of £1.62 million represented by assets, stocks and reserves but our income is at risk in the current financial climate. A cautious balanced revenue budget had been set for 2009 but it is likely that further savings will be necessary. A look back shows growth of the Association by 87% over four years, and growth of that magnitude combined with new and changing legislation had brought significant challenges and a tremendous amount of additional work. One area to suffer had been our accounting where we have been without a Treasurer for two years. It was entirely due to our Financial Assistant and Association Manager and those who help and support them that we had maintained and managed our assets, budgets and accounting. The volume and complexity of work had increased and it was clear to the Board that we were unlikely to find a professionally qualified volunteer willing to take on a Treasurer role of such magnitude. A financial and membership support group has been established, Anita Hall-Roberts has relocated to Brunel House, Williton Restorations have a new assistant Christine and a local accountancy practice is helping us to improve our Sage system and generate meaningful management information for the Boards. In the autumn budgeting round, capital as well as revenue budgets will be set to cover investment of funds in projects such as Norton, locomotive restoration and IT and management systems. The Treasurer should be able to concentrate on strategic financial direction and the affairs of the charity. The intention is to re-advertise for a Treasurer on a revised basis and meanwhile take up an offer of assistance from a qualified accountant.

The Chairman now turned to the Memorandum and Articles of Association, and the work needed to bring them into line with the way we actually operate today, as well as Companies Act 2006 and Charity Act 2006. The process had been started by a previous chairman, Robin White, and carried through by acting Secretary at the time Steve Williams. His draft document was circulated to all members with the Autumn 2008 journal from which we had a significant number of very considered comments from members, a pleasing demonstration of interest from the membership. Steve Williams had stepped down for business reasons and his successor, Penny Gardiner, had picked up the project. A further change in the organisation of charities and the need to seek legal and charity

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commission advice meant that it was preferable not to bring the M&A for adoption at the meeting today but the Chairman promised, and expected members to hold him to his promise, that a further revision of the M&A would be in front of the members for approval as quickly as possible.

The Chairman told members that he believed the measures taken in these vital areas of governance demonstrated that the Board is looking very carefully at its stewardship of the Association. In addition the structure of the Board is to be looked at to ensure that it reflects all our obligations.

Finally the Chairman returned as promised to the subject of 4561 and 7821. He spoke of 4561 being a West Somerset engine for many years, being withdrawn some ten years ago for a full 10-year overhaul. This contrasted with 7821 having no history with the West Somerset which led to the Association commissioning an independent report which advised that the engine is in generally good condition. The Chairman told the members that the estimate for the overhaul for 4561 is around £300k and 7821 on the same basis is £400k. In addition we were reminded that there is still £120k owing on 7821 and we would not fully own the engine until July 2010. The Association funds available from existing resources for 4561 are £331k and for 7821 are £242k. In addition the Chairman noted the near completion status of Odney Manor and work in progress on Dinmore Manor, work that is likely to produce two Manors available to the line within the overhaul period for 7821. Looking at the two small Praires associated with the line, 5553 and 5542, both are due for ten year overhauls within a year or two.

Therefore, said the Chairman, based on the figures, the technical ownership and the 'Manor' factor, the Board had decided to instruct Williton Restoration to dismantle 4561, to prepare a detailed condition report and establish a more accurate estimate cost and likely overhaul duration. A further authority would see 4561 overhauled to the high standard we have come to expect of Gareth and his team. The restoration will use volunteer labour in the same way as for Braunton. The work is expected to start this autumn bringing 4561 to the front of the overhaul queue and giving Williton restorations a baseload of West Somerset business. The Board would be seeking written assurances from WSR plc about future utilisation of 4561. For 7821, the Chairman is looking for secure undercover storage perhaps on display and invited members to make contact if they can help.

In his closing remarks, the Chairman reassured the members present that the Association remains financially sound, is in the process of properly structuring for the future and has made a decision on its locomotives based on sound principles rather than unfettered dreams.

## **6 West Somerset Railway plc Chairman's report**

The Chairman invited Mark Smith, Chairman of the West Somerset Railway plc, to speak and give his view of the WSR and the Association from the WSR plc perspective.

Mark Smith opened much as the Association Chairman had – 2008 was not a good year, the most challenging since 1981. At the end of the year WSR plc had been short to the value of the price of a family house and showed an accounts loss of £104k.

A line had been drawn under rail grinding; WSR survived. And trading in 2009 had been rather good. The low point had come before the lift of the 2008 Autumn Steam Gala, the turntable and West Country engine Braunton to turn on it. But the year had left a legacy of tighter financial control and fewer employees. Now minds are concentrated on what business WSR is in and going back to basics. A new and realistic Business Plan has been started. Key achievable deliverables have been identified. The business was now getting stuck in and going for it. The effect of the recession on tourism is variable and it is early days to know how the WSR will fare.

The WSR Chairman then spoke of the various aspects of the WSR plc business, of working out how many passengers go on what trains at which price; of the cheapest seat – a child fare from Minehead to Dunster – to the most expensive – a Steam Engineman's Course. Alongside the clear realistic achievable objectives of the 5 year Business Plan, the

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WSR Chairman had dreams and aspirations including a 45 minute headway and replacing all the advertising containers with artwork.

The WSR Chairman told his fellow members of the Association that he had recently travelled on the line with a visitor, first in a Mk 1 coach and returning in the DMU. He noted a sharp reaction to the difference in ride quality. Perhaps a small economical steam loco could take over from the DMU in the fullness of time, he speculated. On a more serious note, the WSR Chairman said that the Association and the plc have acknowledged rivalries but that the prospect of an overhauled 4561 for 2012 was good one for the WSR to look forward to.

The WSR plc too has challenges; energy and resources will be put into strengthening the railway to face the future. The Mineral Line bridge at Watchet is 130 years old and bears the scars of its broadgauge origins. Repaired in the early 90s, it has not yet been taken to pieces to see the condition. It is not an emergency but the WSR plc will have to invest £100k this winter in repairs. The other project in hand is the 4346 Buffet car completion to be completed towards the end of this year. The only other substantial monetary investment in prospect is for the purchase of land at Bishops Lydeard.

Meanwhile the company is concentrating on investing in the future of its people; sometimes taken for granted, it is assumed that everyone is working well and wants to come to the WSR. But travel costs keep going up, coming to the WSR becomes more expensive and people are not looked after as well as perhaps they should be. Training must be effective so that people know what the job is and have the right kit, skills and similarly enthusiastic colleagues to work alongside them. Attention must also be paid to young people and the way that they communicate, through Twitter, SMS and YouTube. Trackers have energy and enthusiasm and they are easy to teach.

‘We’ll get there’ said Mark Smith, WSR Chairman, in finishing his address to the members who showed their appreciation with applause.

## **7 WSR Financial report including approval of annual rates of subscription (Article 12)**

At the invitation of the Chairman, the lights were dimmed and Association Manager Susan Kaufman began her presentation of the 2008 financial report accompanied by a presentation in PowerPoint format.

Financial Support Group members Anita Hall-Roberts, Tim Stanger and Steve Williams were thanked for their assistance. A priority during 2008 had been to improve management information available to directors. Year on year information did not tell the whole story as we would see later on in the presentation. First we would see a review of income, then some trends, followed by an analysis of aspects of the 2008 financial report and finishing with a future forecast.

The Association Manager spoke of the need to separate the income of the Association arising from subscriptions, draws, legacies and donations, from Promotions trading in the Shop and Buffet, the Quantock Belle, the Steam Rally and Williton Restorations.

Membership subscriptions had risen due to the first increase in five years implemented in January 2008 but we could not expect a similar increase for 2009. The number of subscriptions was beginning to plateau at just over 5000. Our members are getting older and family subscriptions have reduced. The annual draw had been hit by increased registration costs but draw sellers had been recruited and ticket sales were being pushed. The 700/1000 Club previously managed by Ray and Marsha Casely and now by Colin Street, had increased its income.

The BL shop profits had declined somewhat due in large part to a stock writedown. A comparison of quarterly takings in 2007 and 2008 showed that only in Q3, at the height of a wet summer, had the takings been less in 2008 than 2007 and all credit should be given to the shop and buffet staff for maintaining turnover throughout a difficult year. The QB profits had declined but passenger numbers were up. Consultation earlier in the year with the QB team had resulted in increased fares; increased haulage charges cancelled some

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benefit from the increase in prices. The Steam Fayre had opened on the Norton site with a profit after the loss incurred with the cancellation of the 2007 event. Locomotive Hire was non-existent in 2008 and due to changes in accounting procedures Williton Restorations showed a loss when break even had been hoped for.

An income slide showed clearly that membership subscriptions were the biggest source of income. A membership drive would be a focus for the second half of 2009.

In the analysis of the 2008 accounts, the Association Manager first looked at incoming resources of £1.1 million in 2008 compared to £854k in 2007, the difference being accounted for by a drop in voluntary income, an increase in activities for generating funds and a profit on the disposal of the buffet car and locomotive 6412. Moving on to voluntary income, a slide of donations showed that the amounts of small regular donations which accompanied subscriptions had held up at £34k in 2008. Members were thanked for their continuing support of the Association's projects with these donations. Turning to salaries, the Association manager said the figures should be looked at in conjunction with the audit and accountancy figures as the Association Financial Assistant's salary, previously included in audit and accountancy category, was now included, along with her own salary, in the salaries category.

The Association Manager finished her presentation by making a forecast for 2009/10 in which there would be an increased focus on charitable objectives, improved budgeting and spending control, the commercial success of West Somerset Restoration, improved Asset Management and a better understanding of membership profile and potential to increase income.

Questions followed from members about restricted funds and the impact on income from the draw, about the rally and the prospects for 2009, about the apparently doubled costs of administration and the cost of the Brunel House lease. An explanation of the rewording of the draw tickets to allow greater flexibility for application of draw funds was given by David Holmes, whilst Humphrey Davies spoke of the aspects which led him to believe that the 2009 rally would be a profitable one. The apparent increase in administration expenses was more one of a different accounts treatment for Williton and Paul Conibear spoke of the contribution made by the WSR plc to the costs of Brunel House.

This item was completed by the Chairman announcing that members subscriptions would not be increased in 2010 but forward notice was given of a possible increase in 2011 for which a proposal would be brought to the 2010 AGM for members' approval.

A little later in the meeting, a proposal was made by David Holmes that the members agree to adopt the 2008 accounts, seconded by Ken Davidge and carried unanimously.

## **8 Appointment of Auditors**

The members were asked to vote on the Resolution that "Albert Goodman be reappointed the auditors of the Company and that the Committee be authorised to agree their remuneration." The Resolution was proposed by David Holmes, seconded by Derek Head and carried unanimously.

## **9 Adoption of new Memorandum of Association**

As mentioned in his report, the Chairman adjourned consideration of the new Memorandum of Association pending further advice being sought on particular aspects.

## **10 Adoption of new Articles of Association**

As mentioned in his report, the Chairman adjourned consideration of the new Articles of Association pending further advice being sought on particular aspects.

## **11 Election of directors**

The Chairman asked the Secretary to chair the first part of this item as his name was amongst the directors seeking re-election.

The Secretary announced the name of each of the directors standing for re-election along

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with their proposers and seconders and membership numbers. A show of hands followed each proposal. All three directors were unanimously elected to serve on the Board. Their names and details follow:

Richard David Holmes - membership number 5144  
Proposed by Dave Randall - membership number 977  
Seconded by Don Bishop – membership no 2934

Donald James Bishop – membership number 2934  
Proposed by Humphrey Davies – membership number 3770  
Seconded by Roger Lizars – membership number 894

Stephen Thomas Roberts – membership number 7854  
Proposed by A A Tyrell – membership number 10375  
Seconded by R G Livermore – membership number 7819

The Secretary handed back the chair to David Holmes to conduct the election of directors seeking confirmation of appointment under Article 43. The Chairman announced the name of each of the directors standing for re-election along with their proposers and seconders and membership numbers. A show of hands followed each proposal. Both directors were unanimously elected to serve on the Board. Their names and details follow:

Penelope Mary Gardiner - membership number 11190  
Proposed by Roy Beckwith - membership number 5968  
Seconded by Beryl Ayres – membership no 4023

Geoffrey William Cross – membership number 9697  
Proposed by David Holmes – membership number 5144  
Seconded by Susan Kaufman – membership number 8196

## **12 Any other business**

The Chairman invited members to raise matters related to the business of the meeting.

Lionel Jones asked about the Stationmaster's House. The Chairman said that it was privately owned and the Association had no funds and therefore no plans to purchase.

Robin Parker requested an adjustment to the 2008 Accounts where a director had resigned the post prior to resigning his directorship and the Accounts did not reflect the facts. The Chairman agreed to ensure the record was corrected.

Allan Stanistreet asked about plans for a salaried treasurer to which the Chairman replied that the trading accounts may need paid support but that an Association Treasurer would be a volunteer.

Lionel Jones wished to compliment the Association Manager on her presentation of the 2008 Accounts.

Graham Woolvin expressed concerns about Association membership and divisions between the Association and the plc. The Chairman replied that he hoped all WSR people could see that Association membership was a way of putting something back.

Mike Gooch wondered if the Association had considered offering 3 year or Life memberships as other heritage railways did. The Chairman responded by saying that Life memberships had been dropped as they were too good value but the Association Administrator said that we do still offer Life memberships. Ten year memberships are also under consideration.

Roy Milliner stood up to say that he liked the way the Association was going and he had confidence in David Holmes and his team. The Chairman thanked the speaker and there being no more points raised, took the opportunity to move to the last item on the Agenda.

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**13 Date of 2010 Annual General Meeting followed by close of 2009 Annual General Meeting**

The Chairman announced the date and time of the 2010 Annual General Meeting as Saturday 10<sup>th</sup> July at 14:00 in Bishops Lydeard Village Hall. Ken Davidge suggested that this was not the most convenient day or time and a Friday evening might be preferred. After some discussion and a reminder by Allan Stanistreet that a survey not many years previously had shown members' preference for a Saturday afternoon AGM, a vote was taken for a preference for timing following which the date and time of the next AGM were confirmed as above.

The Chairman closed the formal business of the Annual General meeting at 15:45. The floor was then thrown open for an informal Q&A session.

Chairman's Signature

Date

DRAFT