

WEST SOMERSET RAILWAY PLC - ANNUAL GENERAL MEETING

MINUTES OF THE 42nd MEETING HELD AT BISHOPS LYDEARD VILLAGE HALL ON SATURDAY 28th JUNE 2014 AT 1030H

01. The Chairman welcomed Shareholders to the meeting.
- i) 106 Shareholders in attendance including 13 Directors and 3 Associate Directors
 - ii) Total number of shares represented at the meeting (including Directors and Associate Directors shares): 4,796,612
02. The Chairman's Report: this was provided by Humphrey Davies (chairman until 31/12/2013) with John Irven (current chairman) updating on progress on WSR freehold.
- i) Humphrey Davies thanked shareholders and volunteers for their continued support.
 - ii) Humphrey Davies updated shareholders on the key points shown in the Annual Report and apprised them of the current position.
 - iii) The Chairman updated on the position regarding special events:
 - 1. The growing importance of making the railways offering attractive to Families and children and the importance of the meet and greet days and the income they generate. Thomas the Tank Engine, Mike the Knight and Peppa Pig all contributed significantly to the profitability of the company. In fact, Thomas the Tank Engine was awarded Best Overall Themed Event for 2013.
 - 2. The decline in gala visitor numbers due to the ageing profile of gala visitors.
 - iv) The 10 year Corporate Plan is now published and will be put on the company website within the next two weeks.
 - v) The financial position could be summarised as profits up (before taxation) to £35,000 and cash position improved to £2,197,000. However, passenger numbers were down slightly to 197,000.
 - vi) An increase in the number of volunteers due in no small part to the excellent contribution of Mel Hillman.
 - vii) The excellent operational performance of 9351, now in for major refurbishment, which had now run 96,672 miles.
 - viii) Slow progress in work on the Williton Loop
 - ix) John Irven gave a short factual update of the current state of play of the railway freehold. Following a number of changes in their position, the County Council have now indicated that they would not now be proceeding with the sale of the freehold. Mediated meetings with WSRA had taken place last Autumn over the freehold position with no substantive agreement forthcoming and the Plc had yet to receive clarification from the County Council as to whether or not they were intending to reassert their right to a place on the Plc Board which they had vacated over 20 years ago.
 - x) Humphrey Davies recognised the hard work and dedication of the volunteers and that without them there would not be a railway.
 - xi) Humphrey Davies recognised the contribution of all the railway support groups but paid particular mention of the Friends of Minehead Station who had funded the installation of new toilets and encouraged shareholders to see the new facilities for themselves.
 - xii) Humphrey Davies recognised the contributions made by Shareholders to projects and donations over the past year.
 - xiii) Finally, Humphrey Davis thanked John Irven for agreeing to take on the role of Chairman and wished him every success in this position.
03. The Finance Director's Report reiterated financial information for the year ended 31 December 2013.
- i) Railway income for 2013: £2,846,000 (in 2012: £2,748,000).
 - ii) The contribution from retail operations 2013: £116,000 (in 2012: £109,000).
 - iii) Operating costs and overheads in 2013: £2,816,000 (in 2012: £2,736,000).
 - iv) Other operating income 2013: £48,000 (2012 £78,000).
 - v) Profit after taxation 2013: £25,000 (2012: £17,000)
 - vi) Allotted and fully paid ordinary shares purchased during 2013: £30,000 (2012: £73,000).
 - vii) £48,000 was received from donations and legacies during 2013. (£78,000 in 2012).
 - viii) The Finance Director thanked the various station 'Friends' groups who had donated £25,000 for various projects, the general public £17,000 and the WSRA £3,500. He also highlighted to shareholders the fact that additional share contributions qualify for tax relief at 30%.
 - ix) The Finance director concluded that the final result for 2013 was satisfactory bearing in mind the

general economic situation and competing tourist attractions.

- x) In respect of the capital account, the following were the major expenditure for 2013:
- a) EKT link Blue Anchor to Williton: £61,000.
 - b) Minehead loco pit: £15,000 (50% grant funded)
 - c) Plant and Equipment : £32,000
 - d) Tender and loco restorations: £32,000
- xi) Balances earmarked for future capital expenditure included:
- a) Williton Loop extension : £209,000
 - b) Locomotive Restoration: £734,000

Roger Savill concluded his presentation by stating that, after 17 years as a Director, of which 14 years were as Finance Director, he was not seeking re-appointment. However, until a successor is found, he had agreed to continue to act as accountant to oversee and run the Accounts Office.

John Irven paid tribute to the work that Roger had done over the last decade and invited the meeting to show their appreciation for his skill and dedication to this role. He also paid tribute to Humphrey Davis for his unstinting commitment to the management and development of the railway.

- 04.** The meeting was asked to accept the Company's Financial Statements and the Reports of Directors and Auditors for the year ended 31 December 2013 (No poll was requested).
Proposed: Roger Lizars Seconded: Mike Johns Approved
- 05.** The meeting was asked to appoint A C Mole as Auditors to the Company and to authorise the Directors to agree to their remuneration.
Proposed: Roger Lizars Seconded: John Cronin Approved
- 06.** The meeting was asked to re elect the following Directors:
G W Evens Proposed: M Grace Seconded: K Davidge Approved
- 07.** The meeting was asked to confirm the appointment of the following Directors:
- | | | | |
|-----------------|------------------------|--------------------------|--|
| Humphrey Davies | Proposed: Chris Austin | Seconded: Andrew Chapman | Approved <input checked="" type="checkbox"/>
1 shareholder
voted against in
the meeting and
1 shareholder
(30,000 shares)
had written
voting against. |
| John Wilton | Proposed: Michael Rowe | Seconded: John Robinson | Approved <input checked="" type="checkbox"/>
unanimous |
- 08.** The meeting was asked to confirm the appointment of Geoff Pateman (Company Secretary) who had joined the Board in August 2013
- | | | | |
|---------------|-----------------------|-----------------------|---|
| Geoff Pateman | Proposed: Tim Stanger | Seconded: Ken Davidge | Approved <input checked="" type="checkbox"/>
Unanimous in the
meeting. 1
shareholder
(5150 votes) had
written voting
against. |
|---------------|-----------------------|-----------------------|---|
- 09.** The Company Secretary informed the meeting that the Board is proposing that the 2015 AGM would be held on Saturday 27 June.
It is proposed to hold the meeting in Minehead with a likely start time would be 2 p.m., venue to be confirmed (Hobby Horse and Regal theatre were among the venues to be looked into).
This proposal was confirmed by a good show of hands.
- 10.** Following the conclusion of all business that could be properly transacted at the Annual General Meeting the Chairman closed the formal meeting at 11.20.
- 11.** The Chairman invited questions from the floor.

- Alan Stanistreet
A. Why in 2014 are there 3 different coloured timetables?
Paul Conibeare (General Manager) stated that this was an experiment that will not continue.
- Q.Clive Whitewood
A. Stated that he was saddened by the deterioration in the relationship between the Plc and the WSRA.
The Chairman noted the comment and was hopeful that the Stakeholder Group that was soon to be formed would play a key role in bringing all of the railway family together.
- Q.Richard Swallow
A. Why is there a need to renegotiate the existing lease with the County Council?
From the Chairman:
 - 1) To provide longer term security and to safeguard future investment
 - 2) The proposed pre-emption clause would reflect the Plc is currently the majority owner of the railway through its fixed asset investment
 - 3) The initial proposal came from the County Council
 - 4) To provide the ability to grant longer term sub-leases.
- Q.Andrew Chapman
A. Said that he understood that the rationale for the WSRA freehold bid was to allow the association to invest more easily in the railway.
The Chairman suggested that this question should be asked of the WSRA, though he understood that their charitable status may restrict their ability to purchase Plc shares. Nick Nicholls from the WSRA stated that this was incorrect. The WSRA is currently the largest shareholder and has the ability to purchase more shares should it wish to. He further stated that had the WSRA bid for the freehold been successful the only change would have been that they (the Association) would have been the landlord rather than Somerset County Council. In addition Mr Nicholls stated that the Government White Paper had recommended the ownership structure that the WSRA were proposing.
- Q. Dick Wood
A. 1. Is there anyone from Somerset County Council present to answer questions on the sale of the freehold?
2. Why did the WSRA representative on the Board not inform the Board about its bid for the freehold until after the bid had been submitted and had itself publicised the fact.
1. The Chairman confirmed that the County Council was not represented at the meeting.
2. The Chairman confirmed that the Board were unaware of any WSRA bid until about three days before the 2013 AGM.
3. Ian Aldridge (WSRA rep.) confirmed that the WSRA had not informed the PLC about their bid because it had been considered commercially in confidence. He had also passed on confidential information about the Plc position and offered his apologies to shareholders for his mistake.
4. The Company Secretary stated that, having responsibility for corporate governance, he had investigated and discussed the matter of the release of confidential information with Ian Aldridge. The Board had agreed that the issue was now closed with no further action required following the apology.
- Q. Robin White
A. Suggested that she was bored with the fight between the Association and the Plc and wanted it to stop as she no longer cared who was in the right.
The Chairman agreed that it was important to improve the relationship between the two organisations but disagreed that the cause was unimportant as it revolved around the behaviour and business ethics of the County Council and their apparent support for the WSRA bid, which were the subject of a formal inquiry by their standards panel.
- Q John Aymore
A. 1. Why can I not get hold of any timetables?
2. Why is the appearance of the DMU so shabby?
3. Does the 25 m.p.h. speed restriction have a detrimental effect on performance and wear and tear?
1. General Manager indicated that he would endeavour to supply more timetables.
2. Andrew Forster (Chief Mechanical Engineer) stated that, in this year and last, work had been done both on reupholstering and repainting the DMU. However, he recognised that there are now problems with obtaining spares for the engines and some had to be specially made.

3. The speed restriction does not impair either diesel or steam engines, though the frequency of station stops did.

Q.Neil Ruddington Suggested that the draft of the Corporate Plan was lukewarm in its approach to a link to the national network.

A Steve Williams (Director – Planning) stated that the Plc was currently developing a scoping study for the Taunton to Bishops Lydeard link and was hopeful that this would lead to a full feasibility study, though this would need external funding. He was pleased to note that First Great Western in their franchise outline document had indicated support for the proposal, but he could not at the moment provide either a time scale or likelihood of any such proposals coming to fruition.

Q. Chris Austin Thanked the Board (and in particular Roger Savill) for all their work over the last year and wanted to know what plans the Plc had for 2014 and beyond.

A The plans for future were all contained in the Corporate Plan but the General Manager stated that particular mention should be made of the appointment of a new Head of Commercial Services who would be responsible for revitalising the marketing function of the Plc.

Q. ? Will the Plc change its policy of having square wheels on coaches?

A. Andrew Forster noted the comment but stated that all wheels are within tolerance limits and are regularly monitored and checked. This activity is an expensive and time-consuming operation and had to be prioritised against other operational and safety critical jobs.

Q. John Asquith Wanted to know how many volunteers worked in the Minehead workshops.

A. Andrew Forster stated that he had over 100 volunteers and 50 or so in a typical week but was restricted by space in terms of the number of additional volunteers he could accommodate.

12. The Chairman closed meeting at 11.55 with thanks to all those attending and especial thanks to all the volunteers and support groups for their individual and collective contributions throughout the year.

13. Date of Next AGM will be Saturday 27 June 2015