

## Seasons Greeting from the Chairman

2015 has continued to be a difficult year for many of us, and particularly for myself and family through my illness earlier in the year. I am pleased to say that with a great deal of help, support and good wishes from all quarters, for which I am very grateful, I have made a good recovery and am back 'in train' to continue help guiding our wonderful Heritage and Tourist railway forward into 2016.

This year we have endeavoured to recover commercially from the flooding in 2014 that continued to depress tourism in West Somerset and passenger numbers visiting the railway, but again by very hard work from everyone, including all staff, volunteers, management, board, and support groups, we have been able to end the year with good performance at the autumn rally and at our end of season events. I personally was able to take my grandchildren on a Santa express and can report that it was, as usual, a wonderful experience! Despite the challenge of not achieving our income targets through good cost control from all we are anticipating breaking even on our operating budget, which means the capital receipts from additional shareholders, donations and legacies can continue to be utilised to cover some of the infrastructure and engineering projects vital to sustain the railway. The Williton Loop project and track upgrades are progressing well, as is the start of the covered shed working area for locomotives at Bishop's Lydeard. We have also been able to progress plans to create suitable work space at Bishop's Lydeard Station Farm for when our use of Brunel House ends at the expiration of the WSRA lease in 2017.

We have made good progress with the Partnership Development group which I established to bring all the WSR groups together with the local authorities, and provide a forum for us all to work better together for the future of our railway. I am pleased that it seems to have started of an engagement process between the key partners involved in the railway family.

During 2015 we restructured the board into portfolios, where individual directors lead their area in support of the management team, and were pleased to welcome new directors to the board including the recent appointment of Ian Coleby as our new Vice Chairman. For the first time we followed a transparent recruitment process where we openly advertised and selected candidates based on their ability and being able to best match the portfolio profile responsibilities. I believe we now have a great basis for delivering on our business plans.

Although we have continued to experience difficulties from the ongoing challenges faced by the WSRA over their governance, the recently published report of the review independently chaired by Robin Coombes should offer a way forward. The PLC has welcomed and supported the report and its recommendations, and has just issued a statement on our position going forward, which we hope will lead to progress in the new year.

Finally, without the hard work and commitment of you all, we would not have achieved what we have in 2015, and the board and I wish to express our gratitude for the support from everyone and their part in this.

I wish you and your families a joyous festive season and look forward to 2016.

John Irven, Chairman WSR PLC

December 2015