

Statement by Frank Courtney, Acting Chair of the WSRA and Michael Rowe, Trustee

We thought the Members and others should be aware of certain actions by Susan Kaufman, Company Secretary, on behalf of the six original trustees, this morning. We have received notice that the original trustees met without our knowledge a few days ago and determined, as is their right under the Articles of Association, to convene a trustees meeting on Monday 15th February. In the spirit of openness and transparency Members might find it helpful to see the agenda, which is appended. In the meantime I (FC) have been instructed not to take any further action in respect of the required EGM.

We had already been in consultation with Electoral Reform Services (the service arm of the Electoral Reform Association) and our view was (and is) that they should be engaged to undertake the voting arrangements. This is now in abeyance and the trustees will have three days after their meeting to convene the General Meeting.

You may also wish to be aware of the following, which have emerged since FC took up the Chair, and subsequent to the publication of the Coombes Report. These matters have all been raised with the original six trustees but we have had no response.

1. You will already have seen a copy of the Coombes Report, which was published shortly after I became a Trustee. One of the issues raised by Coombes is the sale of shares in the company Four-One-Six-0 Ltd, the owners of Prairie tank locomotive 4160, and diesel shunter D4107. (4160 was operating on the WSR until its withdrawal for ten year overhaul a few weeks ago and D4107 continues to be the Bishops Lydeard station pilot.) We are required under the terms of the Charities Act to make a report on this matter to the Charities Commission, and this matter is still being investigated. The report will be made available to Members in due course, but we can say that there appear to have been a number of irregularities. How serious these are remains to be determined.
2. We have examined project expenditure on locomotives and other key capital assets over the last five years. (This information was not available to us before FC became Chairman.) This expenditure has been paid by the Association almost exclusively to the Promotions trading subsidiary, for work which they have then carried out. The following table summarises the expenditure:

	Purchase	2011	2012	2013	2014	2015	Total restoration to 2015	Grand total
Loco 4561	71,924.00	2,257.00	47,830.00	153,219.00	82,394.00	122,314.00	408,014.00	479,938.00
TSO 4419	13,518.00	13,402.00	62,758.00	28,605.00	3,360.00	67,333.00	175,458.00	188,976.00 (Note 1)
Hawksworth saloon	68,665.00	-	17,679.00	5,870.00	6,922.00	15,440.00	45,911.00	114,576.00
QB vehicles (Note 2)	21,359.00	-	4,362.00	36,000.00	69,806.00	6,381.00	116,549.00	137,908.00
Total	175,466.00	15,659.00	132,629.00	223,694.00	162,482.00	211,468.00	745,932.00	921,398.00
Note 1	The market value of a Mk 1 coach in fully working order is currently in the region of £20,000 - £30,000							
Note 2	Aries, Jupiter and Orion							

There does not appear to be appropriate project planning information for this expenditure, and therefore there does not appear to be effective budgetary control. Further the WSRA financial regulations do not appear to have been fully implemented. We need to stress that we have not made any observations about the quality of work, and we have no reason to think that it is other than excellent. However, it surprised us that for this level of expenditure there were not proper procedures and controls being implemented.

3. There does not appear to be any agreed budget strategy (which is a key trustee responsibility). In effect the revenue budget will move towards a negative balance from about next June, which is only six months away. This trajectory has been apparent for some time, but no action appears to have been taken. The auditors have in the past commented to the trustees to this effect.

4. The management systems of the Association are significantly deficient, for example, in the following areas:
- There is no protocol for chairman's (or indeed management) action. This means that there is considerable confusion amongst all parties as to who is responsible for what, and what authority anyone has. The trustees are involved in management matters from time to time, rather than strategy.
 - The central filing system is non-existent, and key documents either do not exist or are scattered on personal computers.
 - Financial regulations appear not to be adhered to.

We are forced to conclude that the Association has not been well managed over the last few years.

The letter concerning FC's "conduct" refers to various matter that that are alleged to have been done without the full trustees approval. The "improper" appointment of Michael: this was minuted at the last meeting, and the Company Secretary herself posted Michael's details on the Companies House website.

We do not intend to resign at this stage (either as Chair or Trustee), although for business reasons I am unable to attend their meeting on the date requested, and Michael is not invited.

Frank Courtney and Michael Rowe, 31st January 2016.

Appendix: Agenda

A meeting of the WSRAs Trustees is scheduled for Monday, 15 Feb 16, 2 p.m. in the meeting room at Brunel House.

Please notify the Chairman of items for any other business before the start of the meeting.

	Agenda	
01	Apologies	
02	Minutes of the Previous Meeting	All
03	Health and Safety	IA
04	Leadership Issues <ul style="list-style-type: none"> • Conduct of Chairman as expressed in 30 Jan 16 letter • Improper appointment of Michael Rowe 	All
05	Finance <ul style="list-style-type: none"> • Levy from the plc on ballast and sand delivery via road 	JG
06	Staff Issues <ul style="list-style-type: none"> • Contract for Jacquie Green 	PCz
07	Procedure for changing WSRAs financial and administrative procedures	All
08	Response to Coombes report	PCz
09	WSRA Manager's Report	
10	Negotiation with the plc concerning the Norton Triangle and the Williton Shed	All
11	Sale of 4160 Shares	All
12	Gift Aid <ul style="list-style-type: none"> • Outcome from meeting with the auditor 	FC
13	Request for General Meeting	FC
14	Any other business	