Trackbed Trails

The newsletter for Exmoor Associates Ltd

Issue 9, Summer 2010

Firstly, our apologies for the delay in sending out this newsletter. We have not written to you earlier as we have been in close negotiation for three sections of trackbed and felt it would be cost effective to deliver the exciting news regarding this along with information about our relationship with the Lynton & Barnstaple Railway Trust.

Over half a kilometre of Trackbed and a small Station?

Following recent negotiations we can now confirm that we have made an offer of 80k for Snapper Halt and a considerable length of former trackbed with adjacent fields totalling some thirteen acres. We already have a reasonable bank balance but still require considerable more funds to complete and whilst we all realise these are very difficult times we feel this chance must not be missed. Over the AGM weekend we walked the land with those shareholders who were available and there are stunning views over the Yeo valley, something we seem to take for granted these days. Of course Snapper Halt building stands out as the star of the show - still in remarkable condition, but waiting patiently for those that really care to put the wonderful survivor back into full health once more.

This section of trackbed including Snapper Halt was not for sale separately so we are seeking to purchase the complete package. We will then have various options available to us for use of the surplus land.

Above: Male Orange Tip at Snapper Halt, May 2010

Over the next few weeks I will be contacting many of you to discuss this amongst other things. Please think very carefully if you can help this time by either increasing your share purchase or granting the company an interest-free loan. With fingers crossed, we could be the owners of yet another piece of trackbed secured for eventual use on the Lynton and Barnstaple Railway.

Finally what a wonderful trackbed walk for later in the year, I do so hope to see you all.

Kind regards to you all - Mike

News Bites

Keeping Down Admin Costs

We're always keen to keep down our running costs, so all the money we raise can be put towards securing trackbed. If you would like to receive an electronic version of this newsletter, rather than a paper copy, please let us know by emailing us at trackbedtrails@exmoor-associates.co.uk (a few of you already have – thanks).

Shareholders

We now have 148 shareholders / subscribers and an issued share capital of over £188k.
We continue to expand at an encouraging rate, but obviously there is still plenty more scope for expansion…

Expanding the Family

Maybe as an existing shareholder, you might like to consider making partners, sons or daughters shareholders as well. We would like to see as many people as possible able to experience being part of our friendly Exmoor Associates family.
£2.50 a week is all it need take! Everyone who becomes an Exmoor Associates subscriber can make a difference too.

Website News

Our website now has photo galleries! We've also tweaked it to make things easier to add news in the future – www.exmoor-associates.co.uk

The Yeo Valley Trust

We have asked the YVT trustees for a statement of aims and objectives to clarify their position within the groups working towards the restoration of the L&B railway. Unfortunately this was not received before the press date of this newsletter and until we are sure that there are no conflicts of interest or objectives at variance with the aims of Exmoor Associates or the L&B Trust we will not enter into any formal ties with them.

We would also like to reassure shareholders that we do not currently have any plans to sell any land to the YVT, and indeed any proposals on land access are on hold subject to more detailed information on the above from the YVT. We will of course keep you all in the picture as we hear more.

Meeting with the L&B Trustees

Like yourselves we received two letters from the Lynton and Barnstaple Railway Trust about changes they would like to make to Exmoor Associates, the second of which enclosing a voting slip to be returned to their accountant.

Contained within the letters it clearly stated that they had not only taken legal advice but had confirmation from the charity commission that everything they were proposing was correct and legal.

Concerns were expressed by several shareholders that in fact this was not the case and they doubted the validity of what was being proposed and that we should seek legal advice on this.

We always endeavour to keep any costs to a minimum but on this occasion felt we had no choice but to take advice, therefore we used the same solicitor, Justin Oakley, who set up Exmoor Associates. He soon confirmed that what was being proposed by the Railway Trust was not valid and he pointed this out to the Trust after the first letter had been received also asking for the name of their legal advisor, however this was not forthcoming.

The second letter appeared with the voting slip, once again Justin responded to them telling them what they were proposing was invalid, and once again asking for contact details of their legal advisor, and once again it was not forthcoming.

Justin on both occasions did tell them how they could properly go forward but they chose to ignore it. Mike Buse also asked the L&B company secretary, Tony Nicholson, if he could confirm who was giving them legal advice - he said it was of no concern of Mike's and the answer was no.

As you are all aware, the trustees of the L&B attempted to call an extraordinary general meeting of Exmoor Associates straight after the railway AGM and in the event an unofficial and informal meeting did take place.

When asked who their legal adviser was, Peter Miles jovially said, "well no one of course."

So finally we have the answer we had been looking for, that Peter Miles and the Trustees lied to us all thinking we would be bullied into making invalid and unworkable decisions. Let us hope this is not to be a regular occurrence.

Finally Exmoor Associates have been left to pick up the solicitors bill for this as well as considerable time wasted by the Directors of Exmoor Associates, perhaps the Trustees should do the honourable thing and reimburse Exmoor Associates for all reasonable costs incurred from their personal accounts?

Exmoor Enterprise

At our shareholders meeting in Bratton Fleming, held in 2009, we all heard from Ian Cowling, who is the L&B's Financial Controller and remains very central to the Exmoor Enterprise project. During a discussion about the Yeo Valley Trust, he stood and told everyone that he had been feeding regular reports from Exmoor Enterprise to EA (via Mike Buse), working closely with us and keeping us up to date, and requested that the EA and the YVT could keep him up to date on any work they do in a similar manner. Whilst we continue to support the principles of the EE project, we feel it would not be right for our shareholders to be misled by Ian Cowling's statement. The only report, or update, we have received from EE / Ian was at the project's inception in 2007. We have not been invited to meetings and can verify that we have certainly not been given any formal updates or reports on the project beyond that which is sent to members as part of the Trust's magazine.

We currently hold a particular concern with the EE project, which directly affects our ability in EA to do what we originally set out to do, and that is the repeated publication of the key financial figures involved in the project. The main figure in question is the £30m required for the current proposed phase. We fully appreciate that this figure is not intended to come solely from grants, however our concern is that landowners do not know this, or (more importantly) how it is planned to be spent.

We have been advised (unprompted) by a highly respected local land agent, and now additionally by more than one landowner, that the publicity given to the £30 million Exmoor Enterprise initiative has proved counter-productive in the context that local landowners see the railway as a potential honey pot. This makes trackbed acquisition at realistic prices extremely difficult. To quote, "several of the land owners are talking with each other and divvying up the £30m between them, as to what share of it they should each get".

We put our concerns to Ian Cowling as the key figure behind the costings for the proposed project. His response was that he doesn't know what we're talking about. He informs us that he has spoken to almost all the land owners, most are friendly, and he has heard no such thing.

As directors of Exmoor Associates, we would like to reaffirm our backing of the principles behind the Exmoor Enterprise scheme and the rebuilding of the L&B as a whole. With the limited information we have been given, we are unable to know any of the detail behind Exmoor Enterprise, and indeed if the substance of it still actually has roots in reality given the current economic climate. However, subject to the necessary finance truly being available to the project, then the Exmoor Enterprise route for executing the project would undoubtedly be the best way forward.

A small group of EA shareholders on a trackbed walk at Snapper, bridge 15, 16th May 2010 - (Barry Marshall)

Trackbed Walk & Meetup

The next get together for shareholders is being planned for Saturday 23rd October. We will be arranging to walk another section of trackbed and with it there will be the opportunity to socialise, chat about current affairs, and gather views and ideas.
Any shareholders who would like to come to the October get together, please contact Tony Brown to let us know, and as usual advise us of the number of you coming. We will send out details nearer the time to all those who have responded to say they are coming, detailing where we will assemble and timings. Tony can be reached by email at tony@exmoor-associates.co.uk, or by phone on 07794 830574.

Brief thank you.....

To all of you who came along to help clear our new section of trackbed at Raleigh Weir in February. Over the two days we cleared away rubbish, dragged fallen trees out of the river, topped the overgrown brambles and weeds and did a lot of pruning and tidying up.

The new land is now much much tidier. Hopefully this winter we will be able to do more work of this nature, but this time at Snapper?

The L&B Trust & Asset Locks

All shareholders will be aware of the correspondence, attempts to call an EGM and at times acrimonious debate concerning Exmoor Associates' structure and relationship with other organisations.
The main concerns of the L&B trustees, which prompted their attempt to force an EGM is that EA is not legally tied to the L&B Trust and the main demand was that EA becomes asset-locked to the Trust. In spite the trustees assertions that this would be viable our own solicitor has advised that it is not a practical way forward as was explained to all shareholders in Newsletter 8. EA is a private limited company with shareholders and therefore the assets of the company belong to the shareholders. To asset-lock the company to the Trust could be done by fully converting EA to a CIC. In theory it could also be achieved by adopting a suitable special resolution whereby the existing shares registered in the Trust's name are re-designated as 'A' ordinary shares. This would entitle their holders to participate exclusively in specified future profits or surplus assets to the exclusion of the holders of other shares, although this would give rise to problems if any shareholder dissented.

To quote our solicitor's letter to the L&B Trust chairman "An asset lock for the benefit of an individual shareholder cannot sensibly be grafted onto the articles of a company limited by shares in the absence of proper consideration to the impact that this will have on the rights of the other shareholders when only a single class of shares is in issue."

As directors, we have genuinely looked at and carefully considered options for trying to establish a legal link with the L&B that would not compromise EA. To date, and in-spite of seeking much advice, we have been unable to find a satisfactory route to do this. The directors of EA have stated that they are happy to put any properly worded resolution that is viable and practical to shareholders and re-affirming that the land is being held for future development of the railway. However we ask that this should be conducted via dialogue with the directors to agree appropriate wording in a civilised and courteous manner.

Any of these changes would require a special resolution to be passed requiring 75% of the voting shares in favour of the change. The directors have already been advised by shareholders holding in excess of a third of the shares that they are vehemently opposed to such a change. For the record the L&B Trust hold approximately 17% of the shares the directors of Exmoor Associates between them approximately 15%.

Aims and Objectives Clarified

When Exmoor Associates was established to purchase the trackbed at Collard Bridge back in 2002, the stated aim of the company was to secure the former L&B trackbed for the eventual restoration of the railway between Lynton and Barnstaple. This has never changed and remains the fundamental raison d'être of the company. Our interest is only to see the long term reinstatement of the railway between its two namesakes and Exmoor Associates is, and will remain, solely a land bank for future development of that railway.

Whilst not wishing to appear negative in any way, and indeed hoping that some external funding may become available, Exmoor Associates policy remains based on the premise that the L&B is only likely to get built by gradual expansion and will have to be predominately self-funded. Even under Exmoor Enterprise, the proposed funding is not all expected to be from grants and the chance of success for the project will still be very greatly increased if Exmoor Associates were also to be successful in its objective to secure the trackbed.

Hence our current appeal for support to purchase Snapper Halt and the adjacent significant trackbed. Previous support from all of our shareholders has been magnificent and the timing of this current appeal is undoubtedly not great, but we do not have the luxury of choosing the timing of such opportunities. Imagine the boost it will be able to give the whole L&B project, if it can be seen that another station site has been secured. Snapper Halt building is in almost original condition and the platform edges are still largely intact, owning this is a prospect we cannot afford to pass up.

If you can help by purchasing more shares, or by offering us an interest-free loan, please drop us an email, or get in touch with Mike Buse, or you can wait for him to get in contact with you…

If you would like to express your views or discuss any of the issues raised in this edition of Trackbed Trails, then all the directors are happy to discuss them with any shareholders.

Contact the Exmoor Associates team ~
Tony Brown (secretary) 020 8550 9183 / 07794 830574 or e-mail to enquiries@exmoor-associates.co.uk
Mike Buse 01206 734030, Nik Barrie 01598 753866, Mike Selby 01737 358120;