



FRIENDS OF THE RAIL NPC

Non-profit company, Established 1986

Preserving South African Railway Heritage

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Minutes of the Annual General Meeting, 2013 Friends of the Rail Association NPC

Held at FOTR Depot and Station, Hermanstad, Pretoria
Saturday, 13 April 2013 at 14:30

Present:

Steve Appleton	Kobus Steyn	Nathan Berelowitz
Eric Samuels	John Hammill	Robert Dadford
Anthony Attwell	Gabor Kovacs	Philip Snyman
Zane de Lange	James Smith	Steve Smith
Chris Janisch	Kevin Wilson-Smith	Johan (Chris) Koch
John Mathieson		

Present by proxy:

Jean Dulez (proxy: Nathan Berelowitz)	Olivier Herubel (proxy: Nathan Berelowitz)
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Apologies received:

Eugene Armer	Richard Whitehead	Jimmy Ross
Mike Dyk	Liesel Hagen	Arno Victor
Billy Victor	Peter Stow	

Minutes of previous AGM (2012):

Confirmed and approved. Proposed: John Hammill, seconded: Steve Smith, Kevin Wilson-Smith.

Matters arising out of the previous AGM minutes:

None.

Financial report, Johan (Chris) Koch - treasurer.

Chris presented the financial report for FY 2012. He sincerely apologized that audited statements were not available for this meeting. This was due to the fact that the auditor recently had a serious medical event (heart attack) and had not been able to complete in time. Chris did however present an unaudited summary of major expenses and total income and expense for 2012. Expects the audit to be completed by end May.

Income:

Marketing:	R492100
Train trips (other)	R58200
Donors:	R33000

The Friends of the Rail Association, NPC

Registration No. 1995/009790/08

Directors 2012: SG Appleton* (secretary), A Attwell, NH Berelowitz (chairman), LJ Hagen, AJ Hammill, CE Janisch (vice-chairman), JA Koch (treasurer), SJ Smith, AC Victor, WD Victor, KR Wilson-Smith* (* = British)

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Scrap metal sales:	R35526
Loans:	R11500
Total income:	R630630

Expenses:

Maintenance on coaches and locomotives, excluding 15CA restoration:	R17500
Coal:	R68000
Communications	R17000
Insurance (public liability and rolling stock):	R55000 (will be about R62000 this year)
Leases:	R57000 (incl electric and water)
Casual labour:	R66000
TFR and Metrorail fees:	R251000
Marketing fees:	R60000
Cancellations:	R31000
Busses:	R16300
Fence repairs:	R38000
Water – Cullinan	R15000
Crew and firelighters:	R21000
Computicket commission:	R28000
Bank charges:	R7777
Advertising:	R2700
Memberships (RSR, HRASA and domain registration):	R7250
Sundry expenses:	R40000
Total expenses:	R550392

Balance carried forward to 2013: R80237

The treasurer expressed an opinion that this balance carried over is good and much better than the previous year when only R5000 was carried over.

Chris stated that although one cannot easily see it, operations took major share of expenses, almost 70%. Marketing expenses are second place, which is also to be expected.

Chris bemoaned the ongoing lack of paper-trail for claims. He emphasized that an SMS message was not an acceptable claim form for audit purposes. SMSs need to be followed up by signed claim forms.

Chris concluded by saying that the current bank balance is R42000. However there is coal on order which will cost about R34000 to be paid out of this.

Matters arising out of the financial report

Eric Samuels asked whether this excludes expenditure on the 15CA loco. Chris Janisch responded: Yes, that is sponsored. Eric then asked about the current status of the 15F and the 15CA restorations. Chris Janisch confirmed that the 15F is static and being held over to the future. The 15CA restoration is progressing but very slowly. It will likely only run next year.

Eric asked about the mainline coaches that were burnt out. Were they insured? Nathan Berelowitz stated that they did not belong to FOTR, so were the owner's responsibility.

Nathan thanked Chris Koch. He said that finance-wise this was wonderful news after the dreadful period FOTR had in the previous year. On the matter of proper claims forms, he said that it was difficult to work with railway workers who do not follow protocol and who were only concerned with getting paid quickly in cash.

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John Hammill said he was happy with the financials but wanted more detail in respect of some items.

Chris Koch said that the 15F Paypal donation money account almost active, but needs specimen signatures to be supplied.

This led to a discussion over bank accounts. Should FOTR not move all accounts to FNB rather than deal with two banks? The meeting asked Chris Koch to research several banks in respect of getting the best deal in fees and interest.

Gabor Kovacs asked about income levels and suggested FOTR should again review its fares.

Steve Appleton asked why passenger income is so low at only R492000 despite the higher fares. He said that a few years ago it was at least R600000 – R700000.

The meeting agreed that the present margins are too thin (income is only just above the level of expenditure). Steve A stated that one issue is that some 50% of costs are in TFR and Metro access fees. These two items held over for the board meeting to discuss.

Eric Samuels asked whether FOTR should not run more trains. He added that FOTR ran trains three times a week in Oct and Nov, so why not now? The response was that FOTR is stretched thin and that staffing and maintenance costs would increase and additional marketing costs would be incurred, possibly nullifying the increased income. John Dadford added that there was lower demand during the year unlike year-end.

One unbudgeted cost was the repair of the Hermanstad site head shunt. Nathan said that the repaired head shunt will increase revenue from the site. The head shunt will facilitate running short pleasure trains within the site including “hands-on” events. He also referred to the donation of a small trolley by Dam Rail which would be useful for open days. He also said that Wickham trolley will also be available soon. He said that we need to maximize revenue from the site and open days. He said that the whole club revolves around having money.

Steve Smith said there was no doubt that the head shunt should have been repaired but the processes were not followed to motivate and budget for it. He said that costs keep rising and that we must manage costs better. He bemoaned a seeming lack of expenditure control. He said that FOTR must stick to a budget and must have proper controls including sign-offs.

Kevin Wilson-Smith requested the board to look at policies and procedures and at implementing better governance including limits of authority.

Chris said that because of the problems with the auditing, he had not produced a budget for the next year. SA said that it would be important to have a budget to measure financial performance.

Steve Appleton said he was disappointed that there were no audited financials but asked whether we cannot sign off on the figures supplied.

Chris Janisch asked that the figures should be done properly and that Arno’s marketing figures should be included in these financials so we know exactly what is going on.

Steve Appleton asked whether there were not issues regarding income coming in that effectively represents a liability to FOTR until the train is run but which is not officially in control of FOTR? Steve explained the reasons for this arrangement, but suggested it should be looked at by the board.

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Nathan said there had been discussions with SANRASM who had made money available. However we had not completed as much as we said we would have done. He was worried that we keep saying but not doing. Nathan apologized for the lack of progress. We had however finally completed the restoration of a ninth suburban coach. We were to lay track in the extension.

John Hammill said that SANRASM's deadline to move was end 2012. This had been held back because FOTR's track had not been laid. Chris J said that was because we did not have the money or people to lay the track. In fact SANRASM was going to fund that but are waiting for a signed approval from authorities before committing money. John Hammill said that the urgency is for SANRASM to move and that urgency is the operative word - SANRASM needs to move. SANRASM is at risk where they are and are still suffering theft. He added that their coaches need to be protected and suggested that the wooden coaches may be better under protection at Reefsteamers. He mentioned that FOTR also need a pit. However Steve A said that was only an operational issue. This needs brainstorming sessions urgently. SANRASM can only move by road. Rail is no longer an option. Cannot move immediately though, the SANRASM ground is uneven and too soft due to rains.

Steve Smith said that we must get together and address these logistics and not allow TFR or RSR to hold us up. We must get going regardless.

John Hammill asked what the estimated cost will be to lay track and added that SANRASM will spend at least R500k just for transport. The meeting agreed that the track needed to be laid quickly and that we must employ professionals to do that.

Nathan commented that we are back to saying, not doing. He added that we got slapped over fence move, but we did it. Time is a problem for us. We do not have the people. Must get quotes from professionals (eg RACEC). It's not static exhibits that attract visitors, no matter how significant. It's the wheels that turn that are the attraction. This is entertainment.

James Smith pointed out that there was a problem with mixture of 80lb and 96lb rail. We have got 96lb track but no 96lb points. Points are a problem. We have only one or two incomplete sets of 80lb points. Need inventory of points available at SANRASM. Can make transition rails.

Steve Smith asked how much line is available and how much stock is still to come? Need to match storage lines to requirements. What does it cost to lay? What will pit cost?

John Hammill mentioned that FOTR has also to move out of Rovos site.

Eric Samuels asked about track on the Cor Defos to Voortrekker line. Steve Smith asked who owns the line? He added that TFR and the military do not know and won't take responsibility. ES said that it may belong to the PWD. Action: ES to follow up with the army and PWD.

Auditors 2012-13.

Eck and Eck were appointed as auditors for the coming year.

Board election:

Nominated for election: Chris Janisch, Johan (Chris) Koch, Steve Smith, Tony Attwell, John Hammill, Steve Appleton, Nathan Berelowitz, Kevin Wilson-Smith.

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The meeting unanimously proposed all be reelected unopposed: Proposer: Eric Samuels, Seconder: James Smith. Portfolios to be unchanged until decided at the next board meeting.

Chairman's Report

The chairman did not provide a formal report but rather interspersed his comments and reports throughout the meeting.

Other business:

Nathan Berelowitz introduced James Smith who said that last year after 12 hard years, DR had finally called it a day and is disposing of its assets. The Wickhams have been sold to Oscar Sabatini of Kimberley and will be stored at FOTR. This needs a small amount track to be laid.

DR had been given a budget to move them to FOTR. The ex-Zimbabwe Wickham is motorless and the ex-SAR one needs servicing. Their Funkey diesel shunter at Capital Park will cost about R20k to fix and will be sold.

Nathan Berelowitz bid a great thank you to both Robert Dadford and John Dadford. Without them we would not be doing what we are doing here today. Also he congratulated and thanked the guys who were passed on footplate, namely Gabor Kovacs, Steve Smith, Tony Attwell. He welcomed the active new members, Jaco Nieuwenhuis, Zane de Lange and Philip Snyman and wished them a great future with FOTR.

Nathan presented caps to the loco crew in purple Jacaranda colours for "Jacaranda Rail", a marketing name proposed for FOTR's trains. Not yet formalized, although FOTR as a club will still be here to stay.

Kevin Wilson-Smith asked whether we should not try again to get sponsorships. Agreed and action: KWS to do this again.

Gabor Kovacs asked about training. He has three guys on a fire-lighting course (Jaco, James, Philip). He is rewriting the book which will be submitted to CA for editing. He also asked about driver certification renewals? Was a budget needed? Steve Appleton took the opportunity to mention that changes are being proposed by TFR to the method of refresher examination.

Steve A also mentioned that the train crew manual is being updated and expanded to include simplified train working rules. Most CCs will also need first aid and firefighting training soonest.

The meeting closed at 16:45