

Revolution Project options 2020

Mike Horne

Company options

Do entirely within Advanced Steam Traction Trust ?

ASTT is a charitable trust and can make donations to projects with similar aims to the trust such as the proposed project.

Set up new company ASTR Ltd on the same basis as ASTS Ltd?

ASTS Ltd is the existing operating arm of the trust and has been in operation for a number of years

ASTS Ltd profits go to ASTT every year

ASTR Ltd could be set up to manage the finance of the project in the same way as ASTS Ltd currently operates

ASTT can make further donations as and when funds are available

Revised Company setup?

Advance Steam Traction Trust

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graph TD; A[Advance Steam Traction Trust] --> B[Advanced Steam Traction Services Ltd]; A --> C[Advanced Steam Traction Revolution Ltd ?];
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The diagram illustrates a revised company setup. At the top is a box labeled 'Advance Steam Traction Trust'. Below it, on the left, is a box labeled 'Advanced Steam Traction Services Ltd' with a blue arrow pointing up towards the trust. On the right is a red box labeled 'Advanced Steam Traction Revolution Ltd ?' with a blue arrow pointing down towards it from the trust.

Advanced Steam Traction
Services Ltd

Advanced Steam Traction
Revolution Ltd ?

Ownership options

Should ASTT keep ownership of the whole project ?

If the trust initially provides the finance then the answer has to be yes at this time

This has to include any material that is produced as a result of the project i.e. the locomotive frame and suspension

Should ASTR Ltd have ownership ?

ASTR Ltd should have ownership of the day to day running of the project but not the locomotive ?

What happens if we go for external financing in the future ?

This is for the future when the initial project has some results and will need careful consideration especially where ownership issues come to the fore

Revolution project planning

Go straight for the whole project ?

This is probably biting off more than we can chew !

Break the project down into bite size lumps ?

This would seem to be the best way to progress, it allows the project team to concentrate on one set of issues at a time

Priority is the running frame and suspension to prove the design works

Other items to follow once the frame is proven

Finance options

ASTT to initially fund the project start ?

It is proposed that the project is broken down into component parts starting with the running frame and suspension, funded by ASTT

And by how much ?

This is a decision for the committee and members depending on the current state of the ASTT finances

Future funding for the rest of the project ?

IF ASTS Ltd generates enough income to pass to ASTT for it then to make further funds available to the project then this is entirely self contained within ASTT

If ASTS Ltd does not make enough then third party funding will have to be investigated, the main issue is what someone who makes a donation gets in return

Ownership Options Pros & Cons

| Ownership | Pros | Cons |
|---|---|---|
| Advanced Steam Traction Trust | <ul style="list-style-type: none">• ? | <ul style="list-style-type: none">• ? |
| Advanced Steam Traction Services Ltd | <ul style="list-style-type: none">• ? | <ul style="list-style-type: none">• ? |
| Advanced Steam Traction Revolution Ltd A new company | <ul style="list-style-type: none">• ? | <ul style="list-style-type: none">• ? |

Project operations

The project team should have the freedom to manage day to day decisions

The project team should have the freedom to make finance decisions within the allocated budget

The project team must provide an annual report on progress

The project team must justify the account balance sheet at the AGM to show where ASTT funds have gone to

The project team should be able to go out for third party finance if and when required but ownership issues will need to be addressed for this to happen

Decisions

| | |
|--|--------|
| Set up ASTR Ltd ? | Yes/No |
| ASTT keeps ownership of any resulting engineering | Yes/No |
| ASTR keeps ownership of any resulting engineering | Yes/No |
| Go for complete project up front | Yes/No |
| Break the project down, frame and suspension first | Yes/No |
| ASTT fund any initial design and build | Yes/No |
| If Yes, by how much ? | Amount |
| Should we allow external funding ? | Yes/No |
| On what basis ? | TBD |
| Project team allowed to daily manage ASTR ? | Yes/No |
| ASTR to report to the AGM same as ASTS ? | Yes/No |

Conclusions

What are the conclusions of the members ?