

BRIDGNORTH STATION

Building for the Future



Share Offer

www.svr.co.uk/shareoffer

IMPORTANT NOTICE

If you are in any doubt about the contents of this Share Offer Document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA"), if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

The distribution of this Share Offer Document and/or the accompanying Application Form in or into a jurisdiction other than the United Kingdom may be restricted by law or regulation. In particular, such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan or the Republic of South Africa, nor in or into any other jurisdiction where the extension of the Share Offer would breach any applicable law or regulation.

The maximum amount to be raised under the Share Offer will be less than €5 million (or an equivalent amount) in aggregate and will not therefore comprise an offer of transferable securities to the public under section 102B of FSMA. The Share Offer does not therefore require the publication of an approved prospectus under section 85 of FSMA and accordingly this Share Offer Document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and it has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body.

opinions, for any errors, omissions or mis-statements, negligent or otherwise, or for any other communication, written or otherwise in connection with the Share Offer. Potential investors should read the whole of this Share Offer Document and in particular, attention is drawn to the contents of Part 10 (headed "Risk Factors").

Any enquires relating to the Share Offer and this Share Offer Document should be directed to the Company.

No application will be made for admission of the Offer Shares to the Official List of the FCA or to AIM, a market operated by the London Stock Exchange. The Offer Shares will not be dealt on any other investment exchange and no application has been or is being made for the Offer Shares to be admitted to trading on any such exchange or market.

The price or value of the Offer Shares may go down as well as up, and an Investor may not, on realisation, recover the amount originally invested. Prospective Investors should only apply for Offer Shares in the Share Offer if they are able and willing to accept the high degree of risk connected with an unquoted investment, which could result in the loss of some or all of their investment.

The Offer Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold directly or indirectly within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Japan. The distribution of this Share Offer



SEVERN VALLEY RAILWAY (HOLDINGS) PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 01046274)

Offer of up to 2.5 million Offer Shares at a price of £1.00 per Offer Share
on a first come, first served basis

Share Offer Document Dated: 1 November 2016

This Share Offer Document, which is issued by Severn Valley Railway (Holdings) plc ("Company"), constitutes a direct offer financial promotion communication for the purposes of FSMA, the content of which has been approved for the purposes of section 21 of FSMA by Devonshire Corporate Finance Limited, Devonshire House, 60 Goswell Road, London EC1M 7AD, ("DCF"), which is authorised and regulated by the FCA.

DCF is acting exclusively for the Company and no-one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of DCF or for providing advice in relation to the Share Offer.

This Share Offer Document has been prepared by the Company. It has not been independently verified by DCF and no representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and opinions contained herein and without limiting the statutory rights of any person to whom this document is issued, no responsibility or liability is accepted for the accuracy or sufficiency of any of the information or

Document may be restricted by law in other jurisdictions and therefore persons into whose possession this Share Offer Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Neither the contents of the Company's website nor any website directly or indirectly linked to the Company's website is incorporated in, or forms part of, this Share Offer Document.

The Share Offer will open at 9.00 a.m. on 1 November 2016, and will remain open until 5.00pm on 31 October 2017 unless fully subscribed before this date. The Share Offer may be closed at any time at the discretion of the Directors. The application form for the Share Offer is included with this Share Offer Document.

This Share Offer Document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. Such forward looking statements may use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "should", and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this Share Offer Document are based upon information available to the Directors at the date of this Share Offer Document and the receipt of this Share Offer Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.



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Photography credits:

The Severn Valley Railway are grateful to Adrian White, Bob Sweet and the Kidderminster Railway Museum for the use of photographs within this document.

Photography captions:

Front cover image: 34053 Sir Keith Park at Bridgnorth on the occasion of its recommissioning in 2013

Page 2-3: 42968 departs from Hampton Loade

Page 4: Oldbury Viaduct, Bridgnorth

Page 5: Bridgnorth shed



KEY INFORMATION

This summary information should be read as an introduction to this Share Offer Document and any decision to invest in the Company should be based on this Share Offer Document as a whole. In particular, prospective Investors should read the contents of Part 10 of this Share Offer Document headed **Risk Factors**. If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA.

The Company is seeking to raise up to £2,500,000 through the offer of up to 2,500,000 Offer Shares at a price of £1.00 per Offer Share. The Company wishes to use the proceeds of this Share Offer to contribute to the Bridgnorth Station Site Development in accordance with the masterplan devised by the Project Team under the Chairmanship of David Postle. Phase One of the project consists of the construction of a new refreshment room and toilet facility, a building faithful to Great Western Railway design, the conservation of the Grade II listed station building, expansion of the Railwayman's Arms bar and the relocation of the shop allowing the reconstruction of the passengers' Victorian waiting room.

If all the Offer Shares being made available under the Share Offer are issued, they will represent 25.3% of the enlarged issued share capital of the Company, based on the number of shares in issue as at 31 August 2016, being the last practicable date before publication of this document.

The Company is a non-profit distributing company, and Shareholders are not permitted to receive dividends or participate in the distribution of any residual property or assets upon the winding up or dissolution of the Company. However, Shareholders may receive a number of SVR travel privileges, depending on the number of Shares that they hold.

Potential Investors should note that because of legislative changes in 2015, new shares issued by the Company no longer qualify under the Enterprise Investment Scheme ("EIS"). Therefore Investors will not be able to obtain EIS tax relief if they subscribe for Offer Shares.

Offer Shares will be allotted and issued to Share Applicants on a first come, first served basis.

Existing Shareholders, who wish to subscribe for Offer Shares, should complete the Personalised Share Application Form that they should have received along with this Share Offer Document, and disregard the non-personalised Share Application Form included within this document at Appendix 1(d).

Potential Investors who do not already hold Shares in the Company, should complete the Share Application Form included in this Share Offer Document at Appendix 1(d).

Potential Investors should note that they must apply for a minimum of 100 Offer Shares, and thereafter in multiples of 25 Offer Shares.

ISSUE STATISTICS AND EXPECTED TIMETABLE

Offer Shares

Minimum investment in Offer Shares	£100, thereafter in multiples of £25
Maximum number of Offer Shares	2,500,000
Issue price per Offer Share	£1
Nominal value of an Offer Share	£1
Maximum amount to be raised through the issue of Offer Shares	£2,500,000

Timetable

Offer Date

The Share Offer will open on 1 November 2016.

Closing Date

The Share Offer will close on the earlier of either full subscription of the Offer Shares or 31 October 2017.

Allotment of Offer Shares

Offer Shares will be allotted to Investors on a rolling basis. This will allow Offer Shares to be allotted before the Closing Date.

Issue of share certificates

Share certificates are expected to be despatched within one month of the date of allotment.

PART I:

CHAIRMAN'S LETTER

Your help is needed now to ensure that Bridgnorth Station remains at the forefront of railway preservation, maintaining memories of the past but at the same time building for the future.

Restoration of the Severn Valley Railway began in Bridgnorth over 50 years ago and since then it has been welcoming an ever-increasing number of visitors and staff on a site with buildings which were suitable for the requirements of the mid-1800s but are inadequate for the demands of today. Our new proposals not only herald much improved facilities for existing visitors, but also look to encourage more visitors to start their journey with us at the northern end of the line.

The Board has recently reviewed the Company's strategic objectives and confirmed its view that in this modern day and age great care should be taken to conserve and enhance the heritage of the Railway. As a consequence, a Conservation & Heritage Committee has been established with a wide-ranging brief to act on the Board's behalf to ensure that all future building developments satisfy the heritage aims of the Railway. This Committee comprises a number of volunteers who have brought a new and refreshing approach to the treatment of the Railway's historic infrastructure and will maintain an oversight of any new building project with the same standards of quality control.

The Bridgnorth Project Team established by the Conservation & Heritage Committee has produced a comprehensive set of proposals for the future of the station site and has guided these plans through the complicated process of obtaining planning permission. The total cost of the project is approximately £5 million and comprises three separate phases which are described in this document.

Preparatory works have already commenced, funded by the proceeds of the 2012 Share Offer. We are looking to raise £2,500,000 from this Share Offer to complete Phase One and Phase Two of this project. I confirm to any person kind enough to invest in this scheme that all proceeds from this Share Offer will be ring-fenced to be spent solely on this project.

Existing Shareholders and new Investors will receive travel benefits on the Railway and these are listed in Part 4 of this Share Offer Document. Due to recent changes in government legislation this Share Offer cannot benefit from any relief under the Enterprise Investment Scheme.

Everyone contributing to this Share Offer will know that they have helped to sustain the future of the Railway and provide visitors with modern facilities without compromising the heritage environment at Bridgnorth. It is important to provide an appropriate setting for our historic and popular steam trains as the infrastructure has a huge story to tell about the staff who worked there and the passengers and traders who used it.

The Company recognises that some Railway supporters may not wish to make the minimum purchase of 100 Offer Shares, or, for other reasons, may not wish to take part in this Share Offer. In such cases, supporters can still contribute towards this project by making a donation through the Severn Valley Railway Charitable Trust. Such donations may attract Gift Aid, and these too will be ring-fenced for the project. Please see the form included in this Share Offer Document.

I urge you all to support this exciting and transformational project for Bridgnorth Station and sincerely thank you for your consideration and playing your part in building for the future.

Kindest Regards



Nick Paul CBE

Chairman

BRIDGNORTH STATION

Building for the Future

The Offer





Previous spread: architect's impression of the proposed refreshment room and toilet building, looking from the south Above: Bridgnorth station c1880

PART 2: SEVERN VALLEY RAILWAY HISTORY

The Severn Valley Railway was opened in 1862 and ran from Hartlebury in Worcestershire to Shrewsbury in Shropshire, some 40 miles away, linking such places as Stourport, Bewdley, Bridgnorth and Ironbridge to the national railway system.



Above: Victoria Bridge c1900

It was originally built to serve the agriculture and industry of the area, including several coal mines and quarries, and passenger receipts only formed a small part of the total traffic revenue. The line between Bewdley and Kidderminster was added in 1878 to improve access to North Worcestershire, Birmingham and other parts of the country.

The line remained an important route during the Second World War as a by-pass around Birmingham and the Black Country for essential freight traffic, but after the war the fortunes of the Railway started to decline, partly due to the national growth in road traffic. The line was closed in stages, starting in 1963 when passengers lost their service between Shrewsbury and Bewdley, although part of the line was retained for freight traffic. By 1970, the remaining stations on the line had closed and only a couple of short lengths of the line remained in use, principally for serving the power stations at Ironbridge and Stourport.

The line would have remained abandoned but for the vision and persistence of a group of people who met at a pub in Kidderminster in 1965 and formed the Severn

Valley Railway Society. The Society's aim was to re-open part of the original line and base the operations around Bridgnorth. Such was the enthusiasm of the early preservationists that they managed to stop any further demolition work by British Railways, and also encourage people and groups who had purchased locomotives and carriages to bring them to Bridgnorth for future use on the Railway. By their endeavours, it was eventually possible to acquire the line and associated infrastructure, initially from Bridgnorth to Alveley and then later through to Bewdley and eventually to Kidderminster.

The line was therefore re-opened in stages after the track was declared redundant by British Railways and became available for purchase by SVR – to Hampton Loade in 1970, to Highley, Arley and Bewdley in 1974 and to Kidderminster in 1984. The total route mileage of the preserved railway is 16 miles. There are 28 steam locomotives based on the Railway, some working and some awaiting periodic overhaul. There are over 60 carriages, most of them between 55 and 85 years old and beautifully restored to their original condition. Over 35 of them can be in use on a busy day.



Above: 2207 passing through Arley with coal train from Alveley 1953



Above: Bridgnorth c1900

There are 24 heritage diesels, again some in working condition and others not. There are six picturesque stations and two halts along the line. There is the wonderful Grade II listed Victoria Bridge over the River Severn which, when erected in 1861, was the largest cast-iron span in the world. There is a visitor centre at Highley and a museum at Kidderminster (managed by a separate charity) which provide visitors with the opportunity to see the locomotives awaiting repair and some of the artefacts which made up the railways of the past. Whether it is the locomotives, the carriages, the stations or the infrastructure, all have been lovingly restored and maintained by a large number of volunteers, supported by some paid staff.

It is therefore little wonder that what started as an inspired dream has become one of the principal tourist destinations in the Midlands, and over 240,000 passengers a year from all over the world are to be seen travelling along the line between Kidderminster and Bridgnorth. The Severn Valley Railway also plays an essential part in the local economy. It was estimated at the time of the severe rain damage in 2007 that the Railway contributed £16.3 million and 283 jobs to the regional economy. The Railway is also used as a means of transport to and from the towns and rural areas it serves, both locally and beyond. There is an important link at Kidderminster with the national rail network, and it is possible to buy tickets from any railway station in the country to stations on the Severn Valley Railway. Railway tour operators also use the link to provide access to and from the Severn Valley Railway for their excursion trains, some steam-hauled, some hauled by more modern motive power.

It is now over 50 years since the Severn Valley Railway Society was formed and this represents more than double the length of time that the line was in the ownership of British Railways. As the Railway developed from those humble beginnings at Bridgnorth, so did the governance. Severn Valley Railway (Holdings) Plc, a non-profit distributing company, is responsible for the running and safe operation of the Railway and is supported by two other organisations; the Severn Valley Railway Company Limited which recruits and looks after the members and volunteers and the Severn Valley Railway Charitable Trust which generates funds to help finance ever-increasing maintenance and development costs. There are also numerous smaller organisations which originally acquired the individual locomotives, carriages and wagons to run on the Severn Valley



Above: Kidderminster station staff 1907

Railway who still take an active interest in fund-raising and working on their own items of rolling stock. The railway formation and many of its structures are now over 150 years old, and the costs of keeping the infrastructure safe and to modern and more exacting standards are continually rising. This is also true of the rolling stock where both labour and materials and the costs associated with increased safety compliance have seen the maintenance and restoration of the rolling stock become more expensive each year.

Capital projects on the Railway have seen successful applications for assistance being made to the Heritage Lottery Fund, the European Regional Development Fund and the former Regional Development Agency Advantage West Midlands. There have also been a number of financial appeals over the years through issuing shares in the Company. The acquisition of land at Kidderminster for the terminal station, the building of the carriage shed, the remedial works required after the disastrous storm damage of 2007 closed the Railway for nine months, and the construction of The Engine House (the visitor centre at Highley) are examples of the way in which these important agencies have been used to provide funds to enhance facilities for visitors and those who work on the Railway.

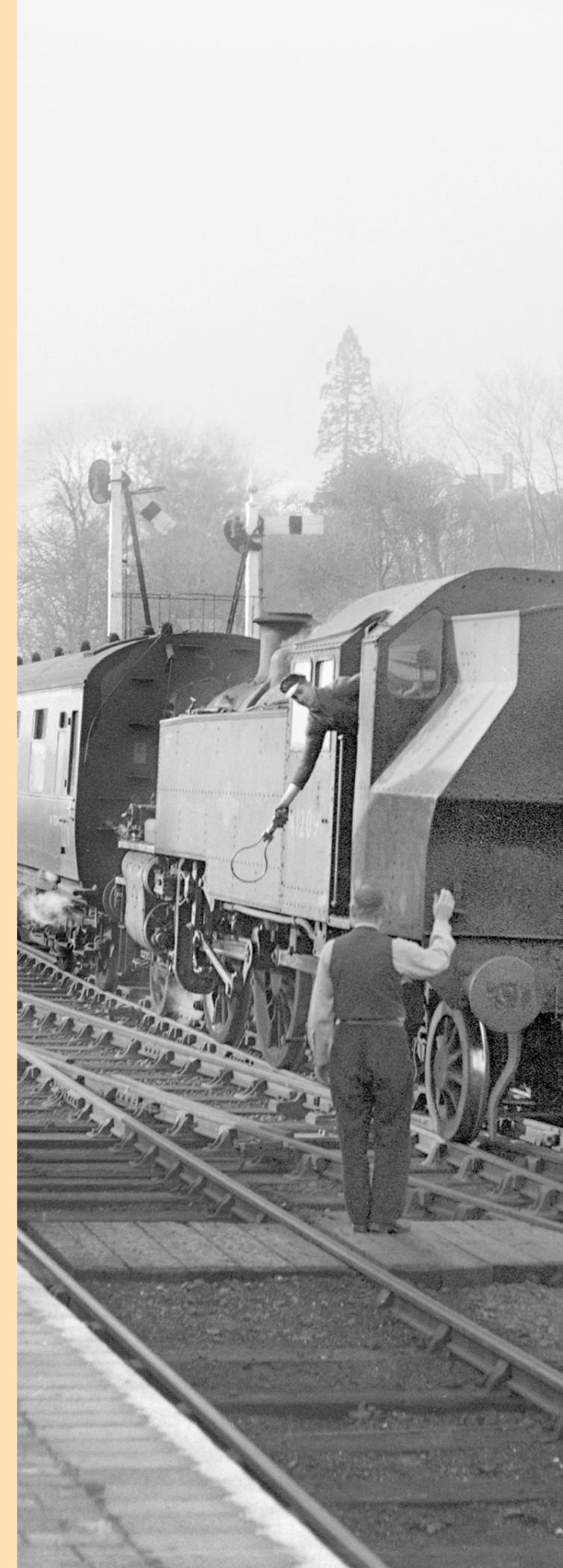
The Company's last share offer was made in 2012 and raised just over £2,000,000, before costs. This money has been allocated to a number of projects such as improving the Railway's infrastructure, working on the locomotive 'Hagley Hall' and the Great Western Railway carriages, contributing to the success of the Heritage Skills Training Academy, improving the Bridgnorth motive power depot equipment and facilities, and investing in preparatory work at the Bridgnorth Station site.

As the Railway has developed southwards through to Bewdley and ultimately Kidderminster, and as the number of passengers arriving at or leaving from Bridgnorth Station has increased dramatically since the early days of preservation, it has become clear that the Bridgnorth Station site has not kept up with the demands made of it, and has been relatively speaking underfunded when compared with capital works undertaken in the development of the Railway to Kidderminster.

With the pace of change in the modern world, and the fact that the Railway has now been in existence for over 150 years, the Board has recently reviewed the strategic aims of the organisation. One of the outcomes was an increased realisation that in this day and age great care should be taken to conserve and enhance the heritage of the Railway with the aim of transporting visitors back into the past when steam trains were the principal means of transport.

The Railway with its delightful stations located along the beautiful valley of the River Severn is, in the opinion of the Board, like a necklace of pearls, a time capsule that transports the visitor back to the elegant days of rail travel. This 'time-capsule' concept is essential to the visitor experience, and any restoration or new development is now designed to be of a particular time period in appearance so as to maintain the atmosphere and character of a past age.

Right: Bewdley North signalman collecting token from 41209 1963





BITTERN

4464

L N E R



Previous spread: 4464 Bittern and Gresley teak coaches leaving Bridgnorth

Above: Bridgnorth running-in board Platform 2

PART 3:

BRIDGNORTH STATION SITE DEVELOPMENT PROPOSALS

The Project Team was mindful of the history and heritage of the station site whilst drawing up proposals. In one way the history provided the inspiration, but in another it restricted what was possible. In 1862, the town of Bridgnorth had a station it could rightly be proud of. It was very different to every other station on the line, built in a neo-Jacobean style which reflected the importance the local dignitaries felt should be accorded to the town. This was later recognised by the government granting the station building listed Grade II status. It is the view of the Project Team that any proposals should

recognise that the existing station building is the 'jewel in the crown', as can be seen from old photographs taken from Castle Walk, and nothing should diminish its significance. The site is also flanked by two Scheduled Ancient Monuments, and great care had to be taken in any proposals to respect the views of Historic England (previously part of English Heritage) and take into account the nature of these Civil War sites. The challenge for the Project Team was that the station site has limited space and to accommodate all the needs that had been identified was an enormous challenge, especially as the aim is to provide facilities for a growing number of visitors each year, more than the station was ever designed to accommodate.

From the outset, and bearing in mind the policy of the Company to enhance the Railway's heritage, it was resolved that all proposed new works on the Bridgnorth Station site would be designed in the style of the Great Western Railway to accord with the 'time capsule' approach to conserving and developing the Railway's infrastructure on a historically consistent theme. Although replicas, such buildings have been authentically detailed inside and out and will thus readily harmonise with the existing Great Western Railway infrastructure and heritage trains, whilst still providing quality accommodation and facilities for both visitors and staff.

Depending on the receipt of Share Offer funds the construction sequence will be as follows:

First, the construction of a new refreshment room and toilet building, designed in the style of a typical Great Western Railway ancillary building dating from c.1900, comprising a single storey building fronting onto the platform with pitched roof and gable ends and a slightly later c.1920 flat-roofed rearward extension. Principal materials are Staffordshire blue brindle engineering bricks and Welsh blue grey slates, with Forest of Dean pennant sandstone cills, copings and chimney cappings. The rear flat roof will be finished with a traditional zinc batten roll roofing system. With an eaves level of just 3.40m, this unostentatious design has been specifically selected to minimise its impact upon the adjacent listed station building. The refurbishment and internal alterations to the Grade II listed station building will include using the current retail storeroom as an extension to the Railwayman's Arms pub whilst at the same time relocating the bar itself to give more room for customers, relocation of the current shop so that the original booking hall/waiting room can be reinstated, and creating a new retail and heritage display area within the northern end of the building. Externally, the building will remain unaltered save for two door/window transpositions, a new rear entrance door into



Above: architect's impression of the proposed refreshment room building, Platform 1 side.

Opposite: view of the 'jewel in the crown' from Castle Hill, Pan Pudding Hill in the background, c1900.

the bar, and provision of some rooftop louvred screens to conceal the bar's modern condenser units. These screens match those which existed throughout most of the station's existence under the Great Western Railway and later British Railways. This first phase will also include the initial stages of a comprehensive tree planting scheme which will be a feature of the whole development.





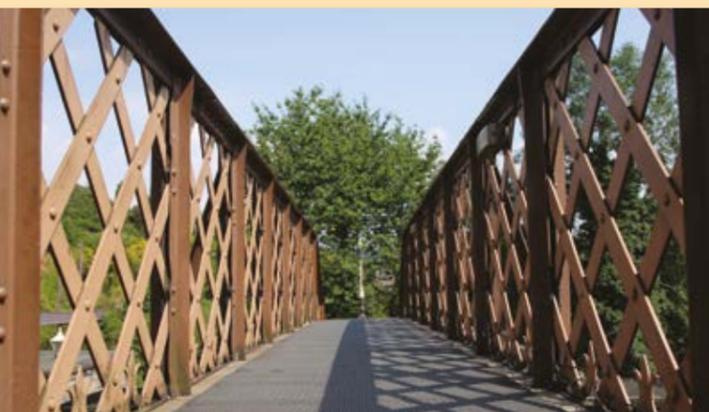
Above: train departing Bridgnorth Platform 1

Second, additional and much improved car parking will be provided in the field, now owned by the Railway, to the west of the boiler shop. A new access road will be built to give improved access on a one-way system from Station Lane and exiting through the fields and underneath the Railway to Oldbury Road. The number of parking spaces to be provided will be in excess of 200 and will be constructed using a permeable hard surface. A separated footpath will bring visitors from the car park into the station site. The spaces on the existing drive to the station building will be reserved for disabled car-users. The former Bristol (Bath Road) Turntable will be installed in the locomotive yard providing the SVR with the opportunity, for the first time, to turn locomotives at the north end of the Railway. Not only will it provide a spectacle for visitors but will be very useful for our Motive Power Department. Improvements will also be made to the public realm, including the removal of

incongruous modern sheds, and the implementation of new sympathetic tree and plant schemes which will provide the historic setting for the Bridgnorth Station Site Development. Access will be given to the Scheduled Ancient Monument of Pan Pudding Hill giving unrivalled views of both the station site and Bridgnorth Town.

Third, although not the subject of this Share Offer, a new accommodation building incorporating offices, workshops and stores on the ground floor will be constructed. This building is based upon a 'modern movement' design used by the Great Western Railway for their staff accommodation building at Didcot which opened in 1944. The Bridgnorth version will comprise one single-storey and three two-storey blocks grouped around a quadrangle, with a services tower located within. Principal materials will comprise light red/buff facing bricks, with brown brick and white concrete bands, surmounted by a flat roof with projecting fascias above all elevations. All windows will be Crittall horizontal pane steel-framed units. The SVR's need to provide new staff hostel accommodation, combined with the Great Western Railway's adoption of this distinctive style over 75 years ago, has provided the impetus to recreate this long-lost building type, which should prove to be an attraction in its own right. By relocating the staff accommodation, George's siding, the current location of carriages used as volunteer overnight accommodation, will once again be available for operational purposes by reconnecting it to the main line.

The full plans and associated reports can be viewed on <http://www.SVRlive.com> – please follow the link on the homepage.



Above: Bridgnorth footbridge

Planning

By October 2014, plans were sufficiently advanced to submit a pre-application as advised by Shropshire Council, and the Council's response was delivered to the Project Team in January 2015. A number of specialist reports were deemed necessary to cover such issues as traffic impact, environmental impact, wildlife habitats, tree surveys, flood risk, drainage, heritage and landscaping. These were prepared during 2015 and the full planning application was submitted early in 2016. Final approval was given by Shropshire Council on 16th August 2016, after further consultation with external parties such as local residents and Historic England.

Delivery of the Project and Finance

Both Shropshire Council and Historic England (previously part of English Heritage) were keen to see full plans prepared for the whole station site, including the three fields and Pan Pudding Hill (the Scheduled Ancient Monument) purchased by the Company in 2015, as they wanted to see cohesive plans and not piecemeal development in the future.

The initial focus of the Project Team was on the works most essential to providing facilities for the visitors to the Railway, so work was concentrated on the new toilet and refreshment room building, and the alterations and refurbishment of the listed building. A robust system of delivery management was required by the Project Team and so Oxford Architects were appointed to manage the project in conjunction with the Infrastructure Manager of the Severn Valley Railway. A two-stage tender process was undertaken, a cost manager was appointed, along with the services of a structural engineer and a mechanical and electrical engineer.

The Project Team has managed the planning stage at virtually no cost to the Company. The plan has been produced by a group of dedicated volunteers and saved the Company a substantial amount of fees. However, a small cost was incurred as the final plans to be submitted to Shropshire Council were necessarily prepared by a professional firm of architects to the Project Team's specifications and designs. The full costs of the proposed works at Bridgnorth are expected to be incurred in the delivery stages now being undertaken.

The Company has spent and committed £1,000,000 to Phase One of the project but requires an estimated £2,500,000 to complete both Phase One and Phase Two.

The Board has pledged that all money raised through this Share Offer will be ring-fenced and used solely for the benefit of the Bridgnorth Station Site Development.

The Project Team have spent three years planning this development for the benefit of the Severn Valley Railway, its visitors, volunteers and staff. The Project Team would be delighted if you could match their endeavours and purchase shares to turn these plans into reality and ensure that Bridgnorth Station is given the facilities for the future which are both appropriate and necessary for it to take its rightful place at the forefront of railway preservation.



Right: Bridgnorth Platform 2 waiting shelter



PART 4:

SHAREHOLDER BENEFITS

Each shareholding of between 100 and 1,199 shares will receive travel vouchers. These are allocated annually as per the following table, and are based on the number of shares held at 31st December each year. Travel vouchers are distributed in May of the following year, together with the annual report and accounts. For example, a shareholding of 250 shares at 31st December would entitle a Shareholder to receive 2 free travel vouchers in May, along with the annual report and accounts.

A shareholding of 1,200 shares or more will receive a travel pass, which will be sent within two months of the issue of shares.

Shareholding	Annual Benefits currently in operation
100 – 224	A voucher for 1 Third Class “Freedom of the Line” ticket
225 – 399	Vouchers for 2 Third Class “Freedom of the Line” tickets
400 – 799	Vouchers for 4 Third Class “Freedom of the Line” tickets
800 – 1,199	Vouchers for 4 First Class “Freedom of the Line” tickets
1,200 – 1,799	A non-transferable Silver Pass giving unlimited Third Class travel on the SVR for the holder and up to three guests
1,800 – 2,999	A non-transferable Silver Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests
3,000 – 5,999	A non-transferable Gold type Medallion and Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests, throughout the period of the shareholding
6,000 – 9,999	A non-transferable Gold type Medallion and Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests, throughout the period of the shareholding, plus 4 Sunday Luncheon Vouchers per annum
10,000 – 14,999	A non-transferable Gold type Medallion and Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests, throughout the period of the shareholding, 4 Sunday Luncheon Vouchers per annum, plus 10% off Charter Train Hire and Footplate Experience Days
15,000 – 29,999	A non-transferable Platinum type Medallion and Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests throughout the period of the shareholding, 10% off Charter Train Hire and Footplate Experience Days, plus either a midweek exclusive observation saloon charter attached to a service train (for up to 23 people) or 4 Sunday Luncheon Vouchers per annum
30,000 plus	A non-transferable Platinum type Medallion and Pass giving unlimited First Class travel (when available) on the SVR for the holder and up to three guests throughout the period of the shareholding, 10% off Charter Train Hire and Footplate Experience Days, plus either a midweek exclusive observation saloon charter attached to a service train (for up to 23 people) or 4 Sunday Luncheon Vouchers per annum. Name added to the Roll of Honour board at Bridgnorth Station.

Note 1. Free travel vouchers, Silver, Gold and Platinum medallions & passes are valid for all timetabled trains and for special events denoted as eligible in the annual SVR timetable.

Note 2. The Directors will review the above entitlements periodically and may from time to time adjust them. However, the Directors confirm that no changes will take place in the next three years.

Note 3. Shareholders of 3,000 or above shares will be entitled to free car parking in SVR car parks.

Note 4. For Shareholders who wish to consider disposing of their shares, these can be donated to the Severn Valley Railway Company Ltd.

Additional Incentives for this Share Offer

For any single share purchase of 1,200 (or more) shares in this Share Offer, the Shareholder and guest will be invited to the Grand Opening of the completion of Phase One of the Bridgnorth Station Site Development, including arrival via a chartered steam train from Kidderminster and return. This promises to be a very special occasion in the history of the SVR.

BRIDGNORTH STATION

Building for the Future

Additional Information for Investors



PART 5:

MANAGEMENT, EMPLOYEES AND VOLUNTEERS

Directors

Nick Paul CBE - Chairman

Nick joined the Company's Board in 2002 and was appointed Chairman in July 2011. In the past he has been Deputy Chief Executive of IMI plc, a FTSE 100 international engineering group, Chairman of Advantage West Midlands, Chairman of Tricorn Group Plc, Chairman of the West Midlands CBI and the Chair of the Governors at the Downs School, Colwall Malvern. He has also been Non-Executive Director with John Laing Homes plc, SIG plc and Worcester Warriors Rugby Club.

Mike Ball - Deputy Chairman

Mike was elected to the position of Deputy Chairman of the Company in 2011 and continues in that role, having been re-elected following the AGM of June 2016. Mike joined the Railway in 1986 and is celebrating his 30th year as a volunteer. He was Chairman of the Operating Committee for seven years and was heavily involved in the fundraising following the storm damage of 2007. Mike worked for Honeywell of the USA and for Bull of France in a career spanning 35 years. Prior to taking early retirement Mike's role was Bull's Director of Customer Services for the UK and Ireland, a multi-million pound business with a staff of some 800 people.

Andrew Barr MBE

Married with two grown up children, Andrew has been actively involved with the Railway since early last year assisting the General Manager with the high level Safety Documentation for Incident and Emergency Management and also reviewing the safety case documentation. After working for London Underground for 50 years, he is currently Head of Heritage Operations for the London Underground and London Buses. He led the organisation for the very successful London Underground 150th Anniversary celebrations, running steam trains in service through Central London tube stations.

Tony Bending

Tony joined the Railway in 1966 and immediately became an active volunteer, a role which he has continued ever since. With the arrival of the first locomotive he joined the Locomotive Department where he is now a driver. He is also one of a small team looking after the IT aspects of the Railway.

Jonathan Dunster

Jonathan is married with two sons, and has been involved in railway preservation since 1988, joining the Railway in 1991 and having been an active volunteer ever since. Jonathan is a career railwayman, having joined British Railways straight after leaving college in 1987. A Member

of the Institution of Railway Operators, in his career to date Jonathan has held a number of operational management positions and is currently employed by Virgin Trains as Head of Operations based in Birmingham.

David Owen OBE

David was educated at Emmanuel College, Cambridge where he gained an MA. Currently he holds the following positions: Member – Development Board, Aston University; Trustee – Owen Family Trust; Trustee – Grimmitt Trust; Trustee – Walsall Museum and Art Gallery Development Trust; Associate Governor – Walsall College. David has been a director of the Company since 1984 and was Chairman from 1989 to 1993. He has been involved with the Railway since 1973 when Rubery Owen bought 150,000 shares to support the opening of the line from Hampton Loade to Bewdley.

Peter Pearson

Peter grew up near Stourbridge. He joined the Railway in 1967 later becoming a guard. Absent for some years through family commitments, in 1998 he re-joined the Bridgnorth team, then re-qualified as a guard. Joining the Board in 2013, he has chaired the Audit Committee since then. A barrister, Peter is now retired following a prosecuting career, starting in the Director of Public Prosecutions Department, London, and finishing with over seven years as Legal and Technical Advisor to the Director, Anti-Corruption Bureau, Malawi. He is a governor of an NHS Foundation Trust, and a local councillor.

Chris Thomas

Chris has been a volunteer with the Railway since 1970. With the formation of the Project Team in 2009, he was appointed estate manager, charged with overseeing site tidying and restoration of visitor areas. The Railway is a family hobby for Chris, with his wife and sons also being involved. He is Bridgnorth Stationmaster. By profession Chris is a Chartered Electrical Engineer, running a successful consultancy.

Chris Walton

Chris has been actively involved with the Railway since 1969. Chris is a Chartered Management Accountant and, after holding various roles at senior management level across several leading automotive companies, is currently the Project Manager for Tata Motors European Technical Centre plc.

Steve White

Steve joined the Railway in 1967, working initially in the Signals and Telegraph Department, but has since worked in most operational departments and has been a driver and a guard.

David Williams

David joined the Severn Valley Railway Society in 1966, seven months after its foundation. He soon became the Editor of SVR News, from Issue 3 to the present Issue, 45 years later. He has been a director of the Company since 1977.

Mick York

Mick joined the Railway in 1966 and has been a director of the Company since 1975. He was appointed Deputy Chairman in 1991 and then Chairman two years later, a post he held for six years. Mick took up the position of Deputy Chairman again in 1999 and was then appointed Chairman for a second time in 2002, serving for a further 9 years. Mick is self-employed, running his own courier business.

Senior management

Nick Ralls

SVR General Manager

Nick has been General Manager for nine years having joined the Company in 2007. Previously he was Curator/Manager of Aston Hall in Birmingham, part of Birmingham Museums Service. Before this, he carried out a similar role at Rufford Old Hall in Lancashire for the National Trust, working as Property Manager. Nick has worked in the heritage and volunteer sector since 1997, having qualified with a Masters Degree in Museum Studies from Leicester University.

Matthew Harris BSc ACA

Accountant and Company Secretary

Matthew enjoyed four years in the Merchant Navy as a deck officer before training with Arthur Young Chartered Accountants in Bristol. After qualifying he took a position with The National Trust, at the Head Offices in Westbury, Wiltshire. Following on from there, he worked for White Arrow Express, GUS Home Shopping, Hagemeyer, Newey & Eyre and Rexel. He joined the Railway in 2010.

Paid Employees

The Company employs 70 full time staff, 58 part-time and 58 casual staff (as at 3 January 2016).

Volunteers of the Severn Valley Railway Company Limited (the members' organisation) operate and assist in maintaining the Railway.

Previous spread: architect's impression of the proposed refreshment room and toilet building, looking from the north

Right: firing an Ivatt class 4







Previous spread: 5764 leaving Arley Above: 78019 near Bewdley tunnel

PART 6: SUCCESS OF THE 2012 SHARE OFFER

The 2012 Share Offer was launched on 1 October 2012 and closed on 30 September 2013. It was an outstanding success at generating funds for a variety of important projects. This success can be measured in a number of ways, particularly that:

- Over two million shares were subscribed for, raising £2,001,391, giving the Railway the opportunity to undertake a number of key projects which have made a real difference to the resilience and development of the Railway
- 40% of the shares subscribed for were issued to new Shareholders, widening the support for the Railway
- The 2012 Share Offer garnered a great deal of regional and national media attention.

For a heritage railway to raise more than £2,000,000 via a share offer is really a remarkable achievement. Since 2012 the Board have allocated funds from the 2012 Share Offer to key projects in line with the objectives described in the 2012 Share Offer Document.

Highlights of the investments include:

1. Visitor Amenities

Station Lane Bridgnorth and Apley Fields Purchase
Shareholders will be aware that the Railway purchased ten acres of land to the west of Bridgnorth Station in 2015. The purchase was both to secure the land for the future of the Railway and also in anticipation of the Bridgnorth Station Site Development which requires space for car parking and volunteer accommodation. In addition, all of the drainage under Station Lane has been replaced and the surface renewed on the approach to the Apley Fields.

The Bridgnorth Station Site Development

The Project Team has made a great deal of progress since 2012. They have created a masterplan for the site using Great Western architectural reference for the proposed building of a refreshment room and volunteer accommodation block, appointed architects, carried out all necessary survey work and submitted a full comprehensive planning application to Shropshire Council early in 2016.

Expenditure summary	
Contribution towards purchase of 10 acres of land part to be used for car parking in Bridgnorth*	£76,000
Investigation and survey costs for the Bridgnorth Station Site Development*	£39,000
Total	£115,000

2. Rolling Stock and Locomotives

Refurbishment of carriages

One of the key focuses of the 2012 Share Offer was the renewal of the historic Great Western carriage set. Much work on the Great Western set has been undertaken in the last four years, including a repaint of Collett Toplight Full Third 3930, restoration on Great Western Collett brake 6562 at Bewdley carriage works and Great Western Collett Full Third carriage 1146 which has been overhauled and repainted.

Restoration of locomotive 4930 Hagley Hall and the Cowan's Sheldon Steam Crane

The locomotive, which appeared on the front cover of the 2012 Share Offer Document, has now been out of traffic for over 28 years but is advancing through its overhaul. Following a strip down of the locomotive and thorough assessment, the tender was swapped with that of Witherslack Hall from the Great Central Railway so that in future Hagley Hall will operate with a more appropriate Collett 4000 gallon tender. The tender has been fully stripped down, the tanks nearly completely rebuilt and the chassis extensively refurbished.

The boiler of Hagley Hall has been removed from the frames and entered the boilershop in 2016 ready for its overhaul. Real progress has been made with the support of the Friends of Hagley Hall, 2012 Share Offer monies and the SVR Charitable Trust. The SVR Charitable Trust secured a Heritage Lottery Fund grant of £95,000 to help overhaul the locomotive and support the SVR Heritage Training Academy. The money spent on Hagley Hall's restoration and the purchase of improved motive power machinery provides the resources to develop our young apprentices' skills as part of the Heritage Skills Training Academy.

Although now over 55 years old, the Steam Crane is frequently used in order to undertake lifting duties in the Motive Power Department. A full overhaul was undertaken by Engineering Services in 2014 with the help of 2012 Share Offer funds.

Expenditure summary	
Hagley Hall Restoration	£45,000
Steam Crane Restoration	£64,000
Carriage Restoration	£79,000
Total	£188,000

Improved Engineering Services Motive Power Department Bridgnorth

The overhaul and maintenance of locomotives by our Bridgnorth Motive Power Department is essential for the future of the Railway. 2012 Share Offer funds have been used to upgrade both the power supply to the site and for the purchase of a further and larger computer controlled (CNC) lathe to produce locomotive crown and boiler stays. Both of our CNC machines are used to produce all of our stays in house and to support the Railway financially through commercial stay sales.

Expenditure summary	
Power Upgrade Bridgnorth*	£25,000
Improved Motive Power Department	£31,000
Total	£56,000



Above: 2857 at Bewdley

3. Infrastructure

Track and Formation Improvements:

The 2012 Share Offer funding has helped the Railway take considerable strides in improving its track work. Since the 2012 Share Offer, the Railway has undertaken an ambitious programme of track and formation renewal.

This renewal programme started in 2013 with new track being laid near Country Park Halt and improvements to drainage in Eyemore Cutting by Victoria Bridge. In 2014 the focus for track replacement was the line between Sterns and Little Rock Cutting and finally in 2015 renewal of track at Eardington Bank. Through 2012 Share Offer funds, the SVR has replaced over a mile of track. This may not sound considerable, but each half mile of track, ballast and formation work costs the SVR £120,000 at current rates. The SVR Charitable Trust made a contribution to track renewal in 2016, and is likely to make further contributions in the future.

Viaduct Restoration

Both Bewdley North (Wribbenhall) and Bewdley South (Sandbourne) viaducts are of sandstone and brick construction. Both have been the subject of extensive preventative maintenance to ensure the future security of the Railway. Where appropriate, sandstone blocks have been let in to the structures, and brick courses re-mortared.

Expenditure summary	
Track Refurbishment	£196,000
Bridge Restoration Bridgnorth*	£4,000
Viaduct Restoration Other Sites	£107,000
Improved Drainage Bridgnorth*	£126,000
Improved Drainage Other Sites	£62,000
Total	£495,000

2016 commitments

In preparation for the Bridgnorth Station Site Development, £807,000 has been allocated from the remaining 2012 Share Offer funds to contribute to the initial funding for this prestigious project in 2016.

Of the remaining amount outstanding from the 2012 Share Offer, £100,000 has been allocated to preventative maintenance of our historic viaducts, £125,000 towards the restoration of Hagley Hall and £25,000 for further carriage restoration.

Conclusion

The funding of £1,911,000 after costs raised through the 2012 Share Offer has been used for the projects outlined in the 2012 Share Offer document.

In summary £270,000 (marked * above) has been spent on work on the Bridgnorth Station Site Development completed to date. A further £807,000 has been committed to Phase One of the project. In total over half of the net receipts from the 2012 Share Offer (£1,077,000) have been committed to the Bridgnorth Station Site Development.

PART 7:

HISTORICAL FINANCIAL INFORMATION

The information below is extracted from the Company's audited financial statements for the year ended 3 January 2016. The Company adopted the new Financial Reporting Standard 102 when preparing its most recent financial statements, which make line by line comparisons with earlier years' accounts difficult, without restating those accounts.

Prospective Investors who wish to see the full financial statements for the years ended 3 January 2016, 4 January 2015 and 5 January 2014, may find them available online at www.svrive.com/shareholders.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC - STATEMENT OF COMPREHENSIVE INCOME

	Year Ended 3 January 2016 (£)	Year Ended 4 January 2015 (£)
TURNOVER	6,522,972	6,118,648
Cost of sales	(6,383,684)	(6,054,830)
GROSS PROFIT	139,288	63,818
Administrative expenses	(722,681)	(706,246)
Other operating income	696,297	814,925
OPERATING PROFIT	112,904	172,497
Interest receivable and similar income	480	688
Interest payable and expenses	(12,550)	(11,772)
PROFIT BEFORE TAX	100,834	161,413
Tax on profit on ordinary activities	0	0
PROFIT FOR THE PERIOD	100,834	161,413

SEVERN VALLEY RAILWAY (HOLDINGS) PLC - STATEMENT OF FINANCIAL POSITION

	Year Ended 3 January 2016 (£)	Year Ended 4 January 2015 (£)
FIXED ASSETS		
Intangible assets	25,890	11,330
Tangible assets	12,758,793	11,985,901
CURRENT ASSETS		
Stocks	448,390	449,405
Debtors: amounts falling due within one year	223,711	311,254
Cash at bank and in hand	839,546	1,250,859
	1,511,647	2,011,518
CREDITORS: amounts falling due within one year	(1,382,351)	(1,205,803)
NET CURRENT ASSETS	129,296	805,715
TOTAL ASSETS LESS CURRENT LIABILITIES	12,913,979	12,802,946
CREDITORS: amounts falling due after more than one year	(4,821,546)	(4,954,640)
PROVISIONS FOR LIABILITIES		
Locomotive and rolling stock provision	(145,621)	(142,748)
NET ASSETS	7,946,812	7,705,558
CAPITAL AND RESERVES		
Called up share capital	7,152,418	7,011,998
Profit and loss account	794,394	693,560
	7,946,812	7,705,558

SEVERN VALLEY RAILWAY (HOLDINGS) PLC - STATEMENT OF CASH FLOWS

	Year Ended 3 January 2016 (£)	Year Ended 4 January 2015 (£)
Cash flows from operating activities		
Profit for the financial period	100,834	161,413
Adjustments for:		
Depreciation of tangible assets and other tangible assets written off	561,069	526,159
Decrease in stocks	1,015	36,290
Interest paid	12,550	11,772
Interest received	(480)	(688)
Decrease in debtors	87,543	168,814
Decrease in creditors	(329,640)	(182,557)
Increase/(decrease) in provisions	2,875	(18,570)
Net cash generated from operating activities	435,766	702,633
Cash flows from investing activities		
Purchase of intangible fixed assets	(15,500)	0
Purchase of tangible fixed assets	(1,342,320)	(710,245)
Sale of tangible fixed assets	9,299	0
Interest received	480	688
Net cash from investing activities	(1,348,041)	(709,557)
Cash flows from financing activities		
Issue of ordinary shares	140,420	256,347
New secured loans	544,500	0
Repayment of loans	(142,842)	(145,632)
Repayment of other loans	(28,566)	(11,446)
Interest paid	(12,550)	(11,772)
Net cash used in financing activities	500,962	87,497
Net increase/(decrease) in cash and cash equivalents	(411,313)	80,573
Cash and cash equivalents at beginning of period	1,250,859	1,170,286
Cash and cash equivalents at the end of period	839,546	1,250,859
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	839,546	1,250,859
	839,546	1,250,859

PART 8:
**ADDITIONAL INFORMATION
RELATING TO THE RAILWAY**

The Railway consists of three main organisations, these are:

Severn Valley Railway (Holdings) plc (Company number 01046274), a company with Shareholders although no dividend is paid with all profit used to support the running of the Railway. It owns the infrastructure and assets of the Railway, employs the paid staff and is responsible for the operation, finance, governance, planning, customer service and management of the Railway.

The Company is a non-profit distributing company with shareholders. The Memorandum and Articles of the Company do not permit the payment of dividends or the participation of members in the distribution of any residual property or assets upon the winding up or dissolution of the Company.

Severn Valley Railway Company Limited (Company number 00906842), a company limited by guarantee. Supported by its membership, this organisation provides the volunteer work force that assist in the operation of the Railway. It also manages communications from the working members of the Railway to the SVR Board.

Severn Valley Railway Charitable Trust Limited (Company number 04341280), which changed its name from SVR Rolling Stock Trust Company Limited on 29 June 2012, was incorporated and registered as a company limited by guarantee on 17 December 2001, and was registered with the Charity Commission on 1 July 2002, registration number 1092723. It owns rolling stock used on the Railway, employs paid staff and volunteers in its fundraising activities.

The Company recognises that some Railway supporters may not wish to make the minimum purchase of 100 Offer Shares, or, for other reasons, may not wish to take part in this Share Offer. In such cases, supporters can still contribute towards the Bridgnorth Station Site Development by making a donation through the Severn Valley Railway Charitable Trust by completing the 'SVR Charitable Trust Mandate Form' located at Appendix (1e). Such donations may attract Gift Aid, and will be ring-fenced for the Bridgnorth Station Site Development.

Below: 5164 leaving Bewdley





Above: 4965 Kinlet Hall on Bridgnorth shed

PART 9: COMPANY AND ADVISERS

Company

Severn Valley Railway (Holdings) plc
(Registered number: 01046274)

Registered office

Number One
Comberton Place
Kidderminster
DY10 1QR

Directors

N C Paul CBE - Chairman
M E Ball – Deputy Chairman
A C Barr MBE
A G Bending
J A Dunster
A D Owen OBE
P R P Pearson
C G Thomas
C W Walton
S C White
D C Williams
M R York

Company secretary

M P Harris

Legal Adviser

Harrison Clark Rickerbys Limited
5 Deansway
Worcester
WR1 2JG

Statutory Auditor

Crowe Clarke Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

HSBC Bank plc
31 Church Street
Kidderminster
DY10 2AY

Corporate Finance Adviser

Devonshire Corporate Finance Limited
(authorised and regulated by the Financial Conduct
Authority with FCA Registration No. 198042)
Devonshire House
60 Goswell Road
London
EC1M 7AD

Registrar and Receiving Agent

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Acknowledgement

The Directors would like to thank the many contributors to the production of this Share Offer Document.

PART 10: RISK FACTORS

This Share Offer Document contains forward looking statements which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, inter alia, the risk factors described in this Part 10 of the Share Offer Document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables that could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Factors that might cause a difference include, but are not limited to, those discussed in this Part 10 of this Share Offer Document. Given these uncertainties, prospective Investors are cautioned not to place any undue reliance on any forward-looking statements. The Company and the Directors disclaim any obligation to update any forward looking statements in this Share Offer Document to reflect future events or developments and reserve the right to remedy any errors that may be present in this document until applications for subscriptions relating to Offer Shares are no longer accepted by the Company.

There are significant risks associated with the Company. Prior to making an investment decision in respect of the Offer Shares, prospective Investors should consider carefully all of the information within this Share Offer Document, including the following risk factors. The Directors believe the following risks to be the most significant for potential Investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Offer Shares. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this Share Offer Document of which the Directors are not aware or believe to be immaterial but which may, in the future, adversely affect the Company's business.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially and adversely affected. In such cases an Investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company.

Before making a final investment decision, prospective Investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, they should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities. Prospective Investors should consider carefully whether an investment in the Company is suitable in the light of their own personal circumstances and the financial resources available to them.

Specific risks associated with the Company

- 1 The Company - The Company's business plan is based on assumptions about predicted future trade and anticipated costs of refurbishment, which the Directors consider to be reasonable but which are inherently subject to variation and uncertainty. There is no certainty that any of the projects outlined in this Share Offer Document will be undertaken at the cost indicated or that grant monies will be obtained to supplement funds raised through the Share Offer.
- 2 Reliance on management - The Company's success depends on the activities of its management team. If one or more of the current management team were unable or unwilling to continue in his or her position, the Company's business could be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience.
- 3 Reliance on volunteers - The Company is reliant upon the goodwill and commitment of a large volunteer workforce, without which it would be unable to operate. Should the Company find it is unable to attract sufficient volunteers in future years it may not be possible to continue the current operation of the Railway. To mitigate this risk the Directors plan to improve volunteer working conditions and accommodation wherever possible and to work closely with the Railway's volunteer organisations.
- 4 Adverse weather - The Company may be affected by adverse weather conditions which could in turn cause failures of its infrastructure. These are mitigated against by rigorous inspection and maintenance of the Company's infrastructure, however the location of the Railway in a river valley does present a geological risk.
- 5 Accidents - The Company could be affected were there to be a significant accident on the Railway. The Company operates strictly in accordance with its Safety Management System and associated Rules and Regulations. These are reviewed and amended whenever a risk is identified to reduce the possibility of accidents occurring. Steve White is the Board's representative appointed to the Health & Safety committee.

General risks affecting the Company

- 1 Legislation and tax - Changes in the UK's tax regime could adversely affect the Company's operations and financial condition. There can be no assurance that the levels of taxation to which the Company is subject will not be increased or that new taxes or levies will not be introduced to which the Company will be subject. Any increase in the levels of taxation to which the Company is subject in the UK, or the implementation of any new taxes or levies to which the Company may be subject, could have a material adverse effect on the Company's business, financial condition and results of its operations.

This Share Offer Document has been prepared on the basis of current UK legislation, rules and practice and the Company's advisers' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any changes in taxation legislation and rules and in particular, any changes to bases of taxation, tax relief and rates of tax, may affect the availability of reliefs and the value of an investment in the Company.
- 2 Exposure to economic cycle - The Company could be affected by unforeseen events outside its control, including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Company could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors. As is the case with any visitor attraction, visitor numbers may decline when disposable income is less readily available.
- 3 Future financing - Whilst the Directors have no current plans for raising additional capital, other than via grant applications and through the SVR Charitable Trust, immediately after the issue of the Offer Shares they are of the opinion that the working capital available to the Company will be sufficient for its present requirements, although the Company may seek to raise extra capital in the future to develop its business and fund Phase Three of the Bridgnorth Station Site Development. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or to the Shareholders. Further equity financing may be dilutive to the Shareholders or result in an issuance of securities whose rights, preferences and privileges are senior to those of holders of Shares. The Directors may seek debt finance to fund the Company's business. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. Debt financing may require the Company to enter into covenants restricting its future operational and financial activities.

- 4 General - Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future. Hopes, aims, targets, plans or intentions contained in this Share Offer Document are no more than that and should not be construed as forecasts.

Past performance is no guide to future performance and there is no guarantee that the Company's objective will be achieved. The Directors can make no guarantee of performance that will be achieved by the Company.

General risks relating to an investment in the Offer Shares

- 1 An investment in the Offer Shares described in this Share Offer Document is speculative and should only be undertaken by Investors capable of evaluating the potential risks and merits of such an investment and who have sufficient resources to bear any loss that might result from such an investment. The value of the Offer Shares will be dependent upon the success of the activities undertaken by the Company and prospective Investors should be aware that the value of the Offer Shares can go down as well as up. There is currently no secondary market in the Shares, and therefore Shareholders may only sell their shares by way of private bargain if they can themselves find a buyer for their Shares. It may therefore be difficult for Investors to sell their Offer Shares at what they consider to be a reasonable price and, it is highly likely that it may be difficult for them to sell them at any price or otherwise realise their investment. Accordingly Investors may not recover the amount invested. In addition it may be difficult to obtain reliable information about the value of their Offer Shares or the extent of the risks to which they are exposed.
- 2 The Company is an unlisted company, and its Shares are not currently quoted on any trading platform, nor are there any matched bargain facility arrangements operated by the Company. There are no plans to seek a public quotation on any investment exchange or other market for the Shares. The Company will not be subject to the Listing Rules of the UKLA, the AIM Rules for Companies, the UK Corporate Governance Code published by the Financial Reporting Council (June 2010) or any other similar rules or regulations applying to companies with securities admitted to, or traded on, an investment exchange. Accordingly, Shareholders will have neither the rights nor the protections commonly available to shareholders in publicly quoted companies.
- 3 Prospective investors should not invest in the Company unless they have carefully thought about whether they can afford it and whether such an investment it is right for them, having had the opportunity to take independent advice.

PART II:

FURTHER INFORMATION AND DEFINITIONS

1 RESPONSIBILITY STATEMENT

- 1.1 The Directors, whose names are listed in this Share Offer Document, accept responsibility, both individually and collectively, for the information contained in this Share Offer Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Share Offer Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 THE COMPANY

- 2.1 The Company is incorporated and registered in England and Wales under the Companies Act 2006 (as amended) with registered number 01046274.
- 2.2 The principal legislation under which the Company operates is the Companies Acts and regulations made thereunder.
- 2.3 The liability of the members of the Company is limited.
- 2.4 The Company's registered office and principal place of business is located at Number One, Comberton Place, Kidderminster, Worcestershire, England, DY10 1QR.
- 2.5 The Company is domiciled in England.
- 2.6 The Company has no subsidiaries.

3 SHARE CAPITAL

	Year Ended 3 January 2016 (£)	Year Ended 4 January 2015 (£)
Authorised 14,000,000 ordinary shares of £1 each	14,000,000	14,000,000
Allotted, called up and fully paid ordinary shares of £1 each	7,242,368	7,101,998

- 3.1 The above is a summary of the share capital of the Company.
- 3.2 The Directors are empowered to allot and issue equity securities up to an aggregate nominal amount of £3,500,000.
- 3.3 As at 31 August 2016, the last practicable date before the publication of this document, the Company had 7,399,017 shares in issue.

- 3.4 Details of substantial shareholders – with more than 3% of the share capital:

	No. of shares	% of total
Severn Valley Railway Company Ltd	1,643,509	22.21%
Philip Walter Swallow	390,024	5.27%

4 ARTICLES OF ASSOCIATION

- 4.1 A summary of the material provisions of the Articles is provided at Appendix 1(c) of this Share Offer Document. A copy of the full text of the Articles may be obtained on request from the Company Secretary at the Company's registered office.

5 ADDITIONAL INFORMATION ON THE DIRECTORS

- 5.1 The table below states the names of all companies and partnerships of which the Directors are currently a director or partner:

Name	Current directorships/ partnerships
Michael Ball	Severn Valley Railway (Holdings) Plc
Anthony Bending	Severn Valley Railway Company Ltd Severn Valley Railway (Holdings) Plc
Andy Barr	Severn Valley Railway (Holdings) Plc
Jonathan Dunster	50031 Consortium Limited Class 50 Alliance Limited Severn Valley Railway (Holdings) Plc
David Owen	Black Country Urban Industrial Mission British Racing Motors Limited B.R.M Limited CHC Evangelism Trust Frontier Youth Trust Old Hall Peoples Partnership Rhinog Estates Limited Rubery Owen Group Estates Limited

Name	Current directorships/ partnerships (contd.)
David Owen (continued)	Severn Valley Railway (Holdings) Plc Sutton Coldfield Young Men's Christian Association Walsall Housing Regeneration Community Association Rubery Owen (Site Services) Limited Darlaston Youth Centre Limited
Nicholas Paul	Severn Valley Railway Charitable Trust Limited Severn Valley Railway (Holdings) Plc
Peter Pearson	Severn Valley Railway (Holdings) Plc
Christopher Thomas	Bromford & High Peak Limited Severn Valley Railway (Holdings) Plc Wisenergy
Christopher Walton	Severn Valley Railway (Holdings) Plc
Stephen White	Severn Valley Railway Company Limited Severn Valley Railway (Holdings) Plc
David Williams	Severn Valley Railway Charitable Trust Limited Severn Valley Railway Company Limited Severn Valley Railway (Holdings) Plc
Michael York	Severn Valley Railway (Holdings) Plc

5.2 Save as outlined below, in the last five years no Director has been a director of a company or a partner in a partnership which has been placed in receivership, administration or insolvent liquidation (including a company or partnership voluntary arrangement) whilst he was a director of that company or a partner in that partnership.

A D Owen OBE – Employment Needs Training Agency C.I.C (company number 02177077) dissolved on 3 February 2015.

5.3 None of the Directors (i) has any unspent convictions; (ii) is or has been bankrupt or made any voluntary arrangement; (iii) has been the subject of public criticism by a statutory or regulatory authority (including recognised professional bodies); and (iv) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

5.4 No director, including the Chairman, directly received any fees, salary payments (including benefits in kind), pension contributions or other emoluments.

5.5 There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for any of the Directors' benefit and no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

5.6 As at 31 August 2016, the last practicable date before the publication of this Share Offer Document, the interests of each Director and his immediate family in the issued share capital of the Company is as follows:

Ordinary shares of £1 each	
N C Paul CBE - Chairman	6,451
M E Ball - Deputy Chairman	1,700
A C Barr MBE	3,300
A G Bending	3,100
J A Dunster	750
A D Owen OBE	1,000
P R P Pearson	3,130
C G Thomas	1,353
C W Walton	1,200
S C White	1,260
D C Williams	2,505
M R York	1,000

5.7 Certain Directors have interests in the rolling stock maintained and utilised by the Railway under the terms of rolling stock agreements. These interests are declared on decisions affecting the rolling stock.

5.8 No Director is or has been interested in any transaction entered into by the Company since incorporation which is or was unusual in its nature or conditions or significant to the business of the Company and remains in any respect outstanding or underperformed.

6 MATERIAL AGREEMENTS

6.1 The company does not have any single agreement that is considered to be material.

7 LITIGATION

7.1 Neither the Company nor any of its Directors are aware of any governmental, legal or arbitration proceedings pending or threatened against the Company, nor of any such proceedings having been pending or threatened at any time in the last three years.

8 WORKING CAPITAL

8.1 The Directors are of the opinion, having made due and careful enquiry and having taken into account the proceeds of the Share Offer, that the Company will have sufficient working capital for its present requirements, that is for at least the 12 month period following the date on which Offer Shares are first allotted pursuant to this Share Offer Document. The Directors will exercise discretion over spending to ensure that the Company has sufficient working capital, bearing in mind that the proceeds of the Share Offer may come in over a 12 month period.

9 EMPLOYEES

9.1 During the period ended 3 January 2016, the average number of employees employed by the company each month was 70 full time, 58 part time and 58 casual members of staff.

10 FINANCIAL INFORMATION

10.1 The financial information referred to in this Share Offer Document does not constitute statutory accounts within the meaning of section 434 and 435 of the Companies Act. Statutory accounts of the Company for the financial periods ended 5 January 2014, 5 January 2015 and 3 January 2016 have been delivered to the Registrar of Companies.

10.2 Save as disclosed in this Share Offer Document, there has been no material adverse change in the financial or trading position or prospects of the Company since 3 January 2016, the date of the Company's last statutory accounts and up until the date of publication of this Share Offer Document, 1 November 2016.

11 TAXATION

11.1 The following paragraphs are intended as a general guide only for Investors who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Offer Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HMRC's practice. Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK, should consult their own professional adviser immediately.

11.2 Taxation of Chargeable Gains - For the purpose of UK tax on chargeable gains, the issue of Offer Shares pursuant to the Share Offer will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that an Investor acquires Offer Shares allotted to him/her, the Offer Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Offer Shares will constitute the base cost of an Investor's holding. If an Investor disposes of all or some of his/her Offer Shares, a liability to tax on chargeable gains may, depending on his/her circumstances, arise.

11.3 Business Property Relief and Inheritance Tax - Unquoted shares representing minority interests in trading companies such as the Company potentially qualify for 100% business property relief which gives up to 100% exemption from inheritance tax. Therefore, where an Investor makes a lifetime gift of shares or dies while still owner of the shares, no inheritance tax will be payable in respect of the value of the shares, provided certain conditions are met. The main condition is that the Investor held the shares for two years before the date of transfer or death.

11.4 Stamp Duty and Stamp Duty Reserve Tax - No stamp duty or stamp duty reserve tax will generally be payable on the issue of the Offer Shares.

11.5 **Dividends and Other Distributions**
The Company is a non-profit distributing company, and Shareholders are not permitted to receive dividends or participate in the distribution of any residual property or assets upon the winding up or dissolution of the Company.

12 GENERAL

12.1 Devonshire Corporate Finance Limited has given and not withdrawn its written consent to the inclusion in this Share Offer Document of the references to its name in the form and context in which they appear.

12.2 Copies of the following documents will be available for inspection during normal business hours on any days (other than Saturday, Sunday and public holidays) from the Offer Date until the Closing Date at the Company's registered office:

- the Articles and memorandum of association of the Company;
- the Company's audited accounts for the financial periods ended 5 January 2014, 4 January 2015 and 3 January 2016;
- the consent letter referred to in paragraph 12.1 above.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"2012 Share Offer"	the offer by the Company to issue up to 3,000,000 ordinary shares in the Company which was opened on 1 October 2012
"2012 Share Offer Document"	the share offer document relating to the 2012 Share Offer
"Application Form"	either a Share Application Form or a Personalised Share Application Form, as the context dictates
"Articles"	the articles of association of the Company for the time being a summary of which is at Appendix 1(c)
"Board"	the board of directors of the Company from time to time
"Bridgnorth Station Site Development"	the Phase One, Phase Two and Phase Three works proposed to be undertaken at Bridgnorth Station
"Business Day(s)"	(a) day(s) (other than a Saturday or a Sunday) on which banks are generally open for business in London
"CGT"	Capital Gains Tax
"Closing Date"	the earlier of full subscription or 31 October 2017
"Companies Act 2006"	the Companies Act 2006 to the extent in force from time to time
"Company" or "SVR"	Severn Valley Railway (Holdings) plc, incorporated in England and Wales with registration number 01046274
"Directors"	N C Paul CBE - Chairman M E Ball - Deputy Chairman A C Barr MBE A G Bending J A Dunster A D Owen OBE P R P Pearson C G Thomas C W Walton S C White D C Williams M R York
"Existing Shares"	the existing issued shares in the capital of the Company from time to time
"Existing Shareholders"	the persons who are registered as holders of Existing Shares as at the Offer Date
"FCA"	the United Kingdom Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"HMRC"	HM Revenue & Customs
"Investor(s)"	a Share Applicant(s) who is allotted Offer Shares
"London Stock Exchange"	London Stock Exchange plc
"Offer Date"	1 November 2016
"Offer Shares"	up to 2,500,000 ordinary shares of £1 each in the capital of the Company, to be issued by the Company to applicants wishing to subscribe for the same
"Official List"	the list maintained by the FCA acting in its capacity as the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA

"Personalised Share Application Form"	the individually personalised share application form accompanying this Share Offer Document sent to Existing Shareholders
"Project Team"	the project team appointed to oversee the Bridgnorth Station Site Development
"Railway"	The Severn Valley Railway
"Shares"	the issued and to be issued shares of the Company, together with the Existing Shares and Offer Shares
"Shareholder(s)"	the person(s) who are from time to time registered as holders of shares in the capital of the Company
"Share Application"	an application by a Share Applicant
"Share Applicant"	an applicant who completes an Application Form to subscribe for Offer Shares
"Share Application Form"	the share application form contained within this Share Offer Document at Appendix 1(d)
"Share Offer"	the offer of Offer Shares in the Company pursuant to this Share Offer Document
"Share Offer Document"	this document
"Subscription Period"	the period from the Offer Date to 31 October 2017 or as shortened by the Board
"SVR Charitable Trust"	Severn Valley Railway Charitable Trust Limited incorporated in England and Wales with registration number 04341280
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the FCA acting in its capacity as competent authority for Part VI of FSMA

All references to statute or other forms of UK legislation in this Share Offer Document shall, unless otherwise stated, be references to statutes or forms of legislation of the UK and any references to provisions of any legislation shall include any amendment, modification, re-enactment or extension thereof. All references to time in this Share Offer Document are to London time and all dates and times stated in this Share Offer Document may be subject to change.

Below: 828 leaving Bridgnorth Platform 1



APPENDIX 1(a)

TERMS & CONDITIONS OF A SHARE APPLICATION

The basis of the allotment of Offer Shares will be determined by the Directors of the Company in their absolute discretion. The Directors will allot shares on a “first come, first served” basis, but the right is reserved to reject any application or to accept any application in whole or in part or to scale down any applications. If any application is not accepted, the amount paid on application will be returned without interest, in each case by cheque sent through the post at the applicant’s risk.

The right is reserved to present all cheques on receipt, and to retain certificates for the Offer Shares pending the clearance of all cheques.

1. No person receiving a copy of this Share Offer Document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation to him or her, nor should he or she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him or her or such Application Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself or herself as to full observance of the laws of the relevant territory in connection therewith including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.

In particular, the Offer Shares have not been, and will not be, registered under the United States Securities Act 1933, as amended or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa. Accordingly, except in a transaction which is exempt under the relevant legislation, the Offer Shares may not be directly or indirectly offered, sold or delivered in the United States, Canada, Australia, Japan or the Republic of South Africa or to US persons or to persons resident in Canada, Australia, Japan or the Republic of South Africa. The Company may therefore treat as invalid any application or purported application for Offer Shares that appears to have been executed, effected or dispatched from the United States, Canada, Australia, Japan or the Republic of South Africa or which includes an address for registration in any such territory.

For the purposes of this Share Offer Document, “United States” means each state of the United States of America (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction. “Canada” means Canada and each province thereof. “Australia” means Australia and each state or territory thereof. “US person” has the meaning given in Regulation S promulgated under the Securities Act and “resident in Canada” means a citizen, national or resident of Canada, the estate of any such person, a partnership, corporation or other entity created or organised in or under the laws of Canada, or any estate or trust the income of which is liable to Canadian income tax regardless of its source. “Resident in Australia” means a citizen, national or resident of Australia, the estate of any such person, a partnership, corporation or other entity created or organised in or under the laws of Australia, or any estate or trust the income of which is liable to Australian income tax regardless of its source.

Each person who completes an Application Form warrants that he or she is not a US person or a person resident in

Canada, Australia, Japan or the Republic of South Africa and is not acquiring any Offer Shares for the account or benefit of any US person or person resident in Canada, Australia, Japan or the Republic of South Africa or with a view to the offer, sale or delivery directly or indirectly of any Offer Shares in the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account of any US person or person resident in Canada, Australia, Japan or the Republic of South Africa or any other jurisdiction outside the UK except where proof satisfactory to the Company has been provided that he or she is able to acquire Offer Shares free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome.

Persons resident in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Share Offer.

2. An application for Offer Shares must be made on either the Personalised Share Application Form included with this Share Offer Document (for Existing Shareholders) or, for prospective Investors who are not Existing Shareholders - the Share Application Form attached at Appendix 1(d). By completing and delivering an Application Form, the applicant, and, if a person signs the Application Form on behalf of another person or a corporation, that person or corporation, will thereby represent, confirm, agree and undertake as follows:
 - a) to irrevocably subscribe for the number of Offer Shares specified in the Application Form, on the terms of, and subject to, the conditions set out in this Share Offer Document, including these terms and conditions and subject to the Memorandum and Articles of Association of the Company;
 - b) to accept the allotment of the number of Offer Shares for which the application is accepted in accordance with the procedure set out in this Share Offer Document;
 - c) that all applications, acceptances, allotments and contracts arising from the application for Offer Shares will be governed by and construed in accordance with English Law;
 - d) if a person signs the Application Form on behalf of somebody else or on behalf of a corporation he or she has the authority to do so and that person shall be bound accordingly and deemed to have given the representations, warranties and undertakings contained in these terms and conditions of application;
 - e) that he or she has not relied on any information or representations other than those contained in this Share Offer Document;
 - f) that the remittance accompanying his or her Application Form will be honoured on first presentation and if it is not so honoured the Company may (without prejudice to any other rights it may have) terminate the agreement to allot the relevant Offer Shares and may allot them to some other person in which case he or she will not be entitled to any refund or payment in respect thereof;
 - g) that the completed Application Form, will upon its receipt by Neville Registrars Limited (“Nevilles”) at the address shown on the Application Form constitute a binding contract with the Company;
 - h) neither the Company nor any of its advisers will owe to him or her any duty or responsibility similar or comparable to the “suitability” rule of The Financial Conduct Authority

and he or she is applying for Offer Shares under the Share Offer on an “execution only” basis;

- i) Neville Registrars Limited and Devonshire Corporate Finance Limited are in each case acting for the Company and no-one else in relation to the Share Offer and accordingly will have no responsibility or liability for the accuracy of any information or opinions contained in the Share Offer Document or for any omission of information;
- j) in respect of prospective Investors who are not Existing Shareholders only, he or she is a person within the class of persons listed in FCA COBS Rule 4.7.7, being certified as a ‘high net worth investor’ or certified as a ‘sophisticated investor’ or self-certified as a ‘sophisticated investor’ or certified as a ‘restricted investor’; and
- k) he or she has read and understood Part 10 of this document titled Risk Factors.

- 3.(a) It is a term of the Share Offer that to ensure compliance with the Money Laundering Regulations 2007, the Company is entitled to require at its absolute discretion verification of identity from any person lodging an Application Form (an “applicant”) including, without limitation, any person who either:

- (i) tenders payment drawn on an account in the name of a person or persons other than the applicant; or
- (ii) appears to the Company to be acting on behalf of some other person.

Pending the provision of evidence satisfactory to the Company as to the identity of the applicant and/or any person on whose behalf the applicant appears to be acting, the Company, in its absolute discretion, may retain an Application Form lodged by an applicant and/or the cheque or other remittance pertaining thereto and/or not enter the applicant on the register of members or issue any share certificate in respect of them.

- (b) If verification of identity is required, this may result in a delay in dealing with an application and/or in rejection of the application. In order to avoid this, payment must be made by means of a cheque drawn by the person named on the Application Form or by one of the other methods set out below.

If a building society cheque or banker’s draft is to be used, the applicant should ask the building society/bank to endorse on the cheque or banker’s draft the name and account number of the person whose building society or bank account is being debited. The building society or bank endorsement should be overlaid with the branch stamp.

- (c) The Company reserves the right, in its absolute discretion, to reject any application in respect of which the Company considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity, or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to treat the relevant Application Form as invalid or to terminate any allotment of Offer Shares to which the application relates (in which event the monies payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which such monies were originally debited and/or to endeavour to procure other subscribers for the Offer Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover

any loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute the agreement and undertaking by the applicant to the Company to provide promptly to the Company such information as may be specified by the Company as being required for the purpose of the Money Laundering Regulations 2007.

- (d) Neither the Company, or its agents shall be responsible or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company or its advisers to treat an application in respect of Offer Shares lodged by any applicant as invalid or to terminate any allotment of Offer Shares as a result of the Company not having received evidence as to the identity of the person lodging the relevant Application Form reasonably satisfactory to it within a reasonable time of having requested such information.
4. Certain details regarding taxation, stamp duty and stamp duty reserve tax are set out in this Share Offer Document. If you are in any doubt as to your tax position, you should consult your own professional adviser.
 - 5.(a) Definitive certificates in respect of the Offer Shares are expected to be dispatched within 28 days of acceptance. No temporary documents of title will be issued and pending the issue of definitive share certificates, transfers will be certified against the register.
 - (b) All documents or remittances sent by or to an Applicant, or as he/she may direct, will be sent through the post at his/her own risk. All payments under the Offer must be made in pounds sterling, and drawn on an account in the applicant’s name.
 6. Your attention is drawn to the further information set out in this Share Offer Document and the terms and conditions set out in the Application Form.

APPENDIX 1(b)

SHARE APPLICATION PROCEDURE

Before making any application to subscribe for Offer Shares, you are recommended to consult an independent financial adviser authorised under FSMA. The following instructions should be read in conjunction with the Application Form and the terms and conditions of application set out in Appendix 1(a) of this Share Offer Document.

If you are NOT an Existing Shareholder, please skip to section (B)

- (A) If you are an Existing Shareholder, please use the Personalised Share Application Form which gives your full name, address and Unique Application ID that accompanied this Share Offer Document.

Mark the appropriate box with an ‘X’ underneath the Amount Payable header, or if you wish to subscribe for an amount not shown (but not less than £100), please insert it clearly and carefully in the boxes provided.

Please sign and date where indicated, ensuring any joint holders also sign.

- (B) If you are not an Existing Shareholder, please use the Share Application Form attached at Appendix 1(d). Please do not use this form if you are an Existing Shareholder, as it may result in you receiving fewer benefits than shown in Part 4 of this Share Offer Document if your Offer Shares are not amalgamated with your Existing Shares.

1. Application Details

Using black ink and capital letters, please insert the full name and address of the applicant in Section 1 as you wish it to appear on the SVR register, should your Application be successful.

Applications can only be made by either (i) persons who are over the age of 18 at the date of submitting the Application Form; or (ii) a company or charity resident in the United Kingdom which is not prevented by the laws of its governing jurisdiction or place of incorporation from applying for or holding shares.

The defined terms used in the Application Form are, unless the context requires otherwise, those defined in the Share Offer Document of which the Application Form forms part.

2. Application and Amount Payable

Insert in Section 2 the total amount you wish to invest. Applications must be for a minimum of £100 and thereafter in multiples of £25.

All payments are to be drawn on an account in the name of the applicant(s) as follows:

Should you wish to pay by cheque, please make all cheques payable to 'Neville Registrars Limited re SVR (Holdings) plc'

To pay via Direct Bank Transfer, please ensure you include your Unique Application ID shown on your Personalised Share Application Form, or if you are not an Existing Shareholder, please include a reference to include your surname, initial, and postcode (where possible) and use the following account details: Neville Registrars Limited re Severn Valley Railway (Holdings) plc, NatWest Bank, Halesowen Branch, Sort Code: 60-09-39, Account Number: 78650682. Failure to include a valid reference may result in your funds not being allocated and therefore invalidating your Application.

Should you prefer to pay by Debit Card, please call the Registrars on 0121 585 1131 and have your debit card to hand.

In all cases, please send your completed Application Form and your remittance to Nevilles, at the address shown below.

3. Contact Details

Please complete Section 3 with appropriate contact details, which may be used in the event of a query with your Application.

4. Declaration

By completing and signing the Application Form you agree to the confirmations and undertakings set out in Section 4.

5. Signature

Execution by Individuals:

Please sign and date Section 7.

Execution by Companies/Charities:

Please sign and date Section 7 in line with s44 of the Companies Act 2006, by two authorised signatories, or by a director of the company in the presence of a witness who attests the signature.

The Application Form may only be signed by someone other than the Applicant named in Section 1 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document appointing the signatory), or duly certified copy thereof, must be enclosed for inspection.

Money Laundering Regulations

Under the Money Laundering Regulations 2007, Nevilles

may be required to check the identity of persons who subscribe for the Offer Shares.

Nevilles may therefore undertake electronic searches for the purposes of verifying identity. To do so, Nevilles may verify the details against the Applicant's identity, but may also request further proof of identity. Nevilles reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Warranties

By completing and returning the Application Form you irrevocably undertake, confirm and agree that:

- (i) you are not a national or resident of the United States of America (including its territories, its possessions and all areas subject to its jurisdiction) or Canada, Australia, Japan or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States of America or Canada (or any political sub-division of either) or Australia or Japan or the Republic of South Africa and that you will not offer, sell or deliver directly or indirectly any of the Offer Shares under the Share Offer in the United States of America or Canada or Australia or Japan or the Republic of South Africa or to or for the benefit of any person resident in the United States of America or Canada or Australia or Japan or the Republic of South Africa;
- (ii) you are entitled to take Offer Shares under the Share Offer comprised herein under the laws of all relevant jurisdictions which apply to you, that you have fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities;
- (iii) you have read the Section headed "Risk Factors" found in Part 10 of this Share Offer Document and confirm that you understand the nature of investing for Offer Shares; and
- (iv) in respect of prospective Investors who are not Existing Shareholders only, you are a person within the class of persons listed in FCA COBS Rule 4.7.7, being certified as a 'high net worth investor' or certified as a 'sophisticated investor' or self-certified as a 'sophisticated investor' or certified as a 'restricted investor'.

Please send all signed and completed Application Forms by post or by hand to:

Neville Registrars Limited, Neville House
18 Laurel Lane, Halesowen, West Midlands, B63 3DA

APPENDIX 1(c)

SUMMARY OF THE COMPANY'S ARTICLES

Objects

The principal object of the Company is "to complete the purchase, restoration and re-opening to the public of the whole of Severn Valley Branch Railway between Bridgnorth, Bewdley and Kidderminster." The principal object of the Company is further extended by a number of wide ranging powers contained within the memorandum of association of the Company (as amended). The full scope of objects of the Company are contained in clause 4 of the memorandum of association of the Company.

Summary of Share Rights

The authorised share capital of the Company as at 31 August 2016, the last practicable date before publication of this Share Offer Document, is £14,000,000 divided into 14,000,000 ordinary shares of £1.00 each. The rights attaching to the Shares are as follows:

(a) Dividends

Members are not entitled to receive any dividend or distribution of income or profit of the Company (other than the membership benefits available to members as set out in this Share Offer Document).

(b) Capital

On a winding up or dissolution of the Company, if any property remains after paying all outstanding debts and liabilities, the members of the Company are not entitled to receive any distribution of the assets of the Company. Any such assets remaining on a winding up or dissolution must be transferred to another institution with similar objects to the Company and which prohibits the distribution of its assets to its members.

(c) Voting

The Company holds an annual general meeting each year. The Company is required to give at least 21 days' notice in writing to the members of an annual general meeting. At least 14 days' notice in writing must be given to members of any other general meetings of the Company.

Each ordinary share ranks *pari passu* with regard to voting. On a show of hands at any meeting of the Company, every member personally present shall have one vote and in the case of a poll, each member shall have one vote for every £1 of share capital held by him or her. A member present at a meeting only by proxy shall have no vote, but a proxy for a corporation may vote on a show of hands.

Ordinary shares may be transferred by a member but the Directors have discretion to refuse to register the transfer of any share (if it is not fully paid up) to any person of whom they do not approve.

(d) Directors

Unless otherwise agreed, the number of directors shall not be less than nine nor more than twelve, of which three directors will be appointed and removed by the board of Severn Valley Railway Company Limited.

Currently there are 12 directors appointed to the board of the Company. A G Bending and D C Williams and S C White have been appointed by the board of Severn Valley Railway Company Limited.

Directors are entitled to be remunerated as agreed at a general meeting of the Company and, unless otherwise directed, such remuneration shall be divided amongst the directors as they determine or in the absence of agreement, equally. Directors are entitled to be repaid all travelling, hotel and other expenses properly incurred by him or her in and about the business of the Company, including expenses incurred in travelling to and from board or committee meetings.

If any director provides special or extra services to the Company special remuneration may be payable to such director. At present no directors receive any remuneration in the carrying on of their duties to the Company nor claim expenses from the Company.

Right: 3205 in Oldbury Cutting





APPENDIX I (d)

APPLICATION FORM FOR PROSPECTIVE INVESTORS WHO ARE NOT EXISTING SHAREHOLDERS

NOT TO BE USED BY AN EXISTING SHAREHOLDER, FOR NEW INVESTORS ONLY

Severn Valley Railway (Holdings) plc (the “Company” or “SVR”), a public limited company registered in England and Wales with registered number 0104674 whose registered office is at Number One, Comberton Place, Kidderminster, DY10 1QR. Before you apply for any of the Offer Shares you should make sure that you fully understand the risks which are set out in the Share Offer Document dated 1 November 2016 and you should determine whether the investment is appropriate for you on the basis of all the information contained therein. You may lose some or all of your investment. If you are in any doubt about the contents of this Application Form, the Share Offer Document or the action you should take, you are strongly recommended to seek your own financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments.

Purchasers of Offer Shares are not protected from loss by the Financial Services Compensation Scheme against the Company’s default or for any losses they may suffer arising out of their investment in Offer Shares.

Before completing this form you must read the Share Offer Document.

SECTION 1 – APPLICANT DETAILS

To be completed by all Applicants:

INDIVIDUAL APPLICATIONS OR COMPANY/CHARITY AUTHORISED SIGNATORY

Address:

Mr/Mrs/Miss/Other:

First Name(s):

Surname:

Date of Birth:

JOINT APPLICATIONS (if any)

Postcode:

Mr/Mrs/Miss/Other:

First Name(s):

Surname:

Date of Birth:

SECTION 2 – APPLICATION AND AMOUNT PAYABLE

COMPANY/CHARITY APPLICATIONS

Company Name:

Registered Number:

Position:

Amount of Offer Shares applied for:

£

Applications must be for a **minimum of £100** and thereafter in **multiples of £25**.

Please make your cheque payable to **Neville Registrars Limited re SVR (Holdings) plc** (crossed account payee only) and return together with this form by post or by hand (during normal business hours only) to **Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA** so as to arrive **no later than 13:00 on 31 October 2017**.

SECTION 3 – CONTACT DETAILS

Please insert your telephone number and email address in Section 3 so that you may be contacted in the event of a query with your Application Form.

Contact telephone number:

Mobile number:

Email address:

- In accordance with the Companies Act 2006 and its Articles of Association, you agree to authorise the Company to send or supply certain documents and information ("Documents") to you by making such Documents available electronically via a website. The Company's means of communication with its shareholders is via its website at www.svr.co.uk (the 'Website').

SECTION 4 – DECLARATION

You confirm, agree and undertake that:

- your application for Offer Shares is made on and subject to the terms and conditions of the Share Offer set out in Appendix 1(a) of the Share Offer Document and is irrevocable. The completion and return of this Application Form shall constitute a conditional contract between you and the Company which shall become binding upon receipt of this Application Form by Neville Registrars Limited;
- the Company reserves the right to reject or nonetheless treat as valid, any application not strictly complying with the terms and conditions of this Application Form and the terms and conditions of the Share Offer set out in Appendix 1(a) of the Share Offer Document;
- you are not relying on any information or representation (express or implied) in relation to the Company other than that contained in (or incorporated by reference in) the Share Offer Document and agree and acknowledge that neither the Company nor any of its directors, officers, employees, agents or advisers shall have any liability for any such other information or representation not so contained;
- you are not relying on the Company or any of its advisers or agents to advise whether or not the Offer Shares are a suitable investment for you;
- you will on request by Neville Registrars Limited provide such information as may be required to comply with the provisions of the Money Laundering Regulations 2007. Failure to provide the relevant information within a reasonable period of time following a request for verification of identity may result in rejection of your application, in which event the monies payable on application will be returned without interest to the applicant at the address in Section 1;
- you are not a US person or a person resident in Canada, Australia or the Republic of South Africa and you are not acquiring any Offer Shares for the account or benefit of any US person or person resident in Canada, Australia, Japan or the Republic of South Africa or with a view to the offer, sale or delivery directly or indirectly of any Offer Shares in

the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account of any US person or person resident in Canada, Australia, Japan or the Republic of South Africa or any other jurisdiction outside the UK except where proof satisfactory to the Company has been provided that you are able to acquire Offer Shares free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome;

- you are aware that it is up to you to seek advice from someone authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments;
- you are making your Application on your own behalf and for no other person;
- Neville Registrars Limited and Devonshire Corporate Finance Limited are in each case acting for the Company and no-one else in relation to the Share Offer and accordingly do not accept any liability to you for the accuracy of any information or opinions contained in the Share Offer Document or for the omission of any information;
- this Application Form and any accompanying remittance are sent at your own risk. Any monies returnable to you may be retained by the Company or Neville Registrars Limited pending clearance of your cheque and such monies will not bear interest and when returned will be sent through the post to the address in Section 1 at your own risk;
- your cheque for the price payable on application for Offer Shares will be honoured on first presentation.

SECTION 5 – SIGNATURE

Applicant or Director Signature:

Print Name (& Capacity if applicable):

Date:

Second Applicant (if any) or Director/Witness Signature:

Print Name (& Capacity if applicable):

Date:

For Company applications please affix Company Seal here:

Date:

Notes on Completion of the Application Form

It is essential that you complete all parts of the Application Form in accordance with the following instructions.

1. Application Details

Using black ink and capital letters, please insert the full name and address of the applicant in Section 1 as you wish it to appear on the SVR register, should your Application be successful.

Applications can only be made by either (i) persons who are over the age of 18 at the date of submitting the Application Form; or (ii) a company or charity resident in the United Kingdom which is not prevented by the laws of its governing jurisdiction or place of incorporation from applying for or holding shares.

The defined terms used in this Application Form are, unless the context requires otherwise, those defined in the Share Offer Document of which this Application Form forms part.

2. Application and Amount Payable

Insert in Section 2 the total amount you wish to invest. Applications must be for a **minimum of £100 and thereafter in multiples of £25.**

All payments are to be drawn on an account in the name of the applicant(s) as follows:

Should you wish to pay by cheque, please make all **cheques payable to 'Neville Registrars Limited re SVR (Holdings) plc'**

To pay via Direct Bank Transfer, please ensure you include a reference to include your surname, initial, and postcode (where possible), and use the following account details:- **Neville Registrars Limited re Severn Valley Railway (Holdings) plc, NatWest Bank, Halesowen Branch, Sort Code: 60-09-39, Account Number: 78650682.** Failure to include a valid reference may result in your funds not being allocated and therefore invalidating your application.

Should you prefer to pay by Debit Card, please call the Registrars on 0121 585 1131 and have your debit card to hand.

When completed, please send this form and your remittance to Neville Registrars Limited, at the address shown above.

The account name should be the same as that shown on the Application Form.

3. Contact Details

Please complete Section 3 with appropriate contact details, which may be used in the event of a query with your Application.

4. Declaration

By completing and signing this Application Form you agree to the confirmations and undertakings set out in Section 4.

5. Signature

Execution by Individuals: Please sign and date Section 7.

Execution by Companies/Charities: Please sign and date Section 7 in line with s44 of the Companies Act 2006, by two authorised signatories, or by a director of the company in the presence of a witness who attests the signature, stating their capacities.

The Application Form may only be signed by someone other than the Applicant named in Section 1 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document), or duly certified copy thereof, must be enclosed for inspection.

Money Laundering Regulations

Under the Money Laundering Regulations 2007, Neville Registrars Limited ("**Neville Registrars**") may be required to check the identity of persons who subscribe for the Offer Shares.

Neville Registrars may therefore undertake electronic searches for the purposes of verifying identity. To do so, Neville Registrars may verify the details against the Applicant's identity, but may also request further proof of identity. Neville Registrars reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

If you have any queries regarding the procedure for application and payment please call Neville Registrars on 0121 585 1131.

Lines are open from 09:00am to 17:00 (London time) Monday to Friday (other than a Bank Holiday).

The helpline cannot provide advice on the merits of the Share Offer, nor give any legal, business, accounting, tax, investment or other professional advice.

Please return this form and payment by post or (during normal business hours only) by hand to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive no later than 13:00 on 31 October 2017.

SVR CHARITABLE TRUST MANDATE FORM

**Yes, I would like to show my support to the
Bridgnorth Station – Building for the Future appeal**

**All donations given are restricted to the
Bridgnorth Station Development only**

Name:

Tel:

Address:

Postcode:

Email:

Date:

Signature:

**Give regularly – a monthly gift
Please see Gift Aid declaration below**

I would like to become an SVR Patron and make a
monthly donation of:

£10 £20 £50 Other

Please pay until further notice

per month to The Severn Valley Railway Charitable Trust
at HSBC Bank PLC

**Please return to: Number One, Comberton Place,
Kidderminster DY10 1QR**

To (Your Bank):

Sort Code:

Address:

Postcode:

Please debit my account No:

Date:

Signature:

Give now – a one-off cash donation

I would like to give a cash donation of:

£15 £25 £50 £100

Other

Method of payment

- Cheque or CAF Cheque (please make payable to
SVR Charitable Trust)
- Cash
- Through your website www.svrtrust.org.uk

Charity Gift Aid Declaration

Boost your donation by 25p of Gift Aid for every £1 you
donate. Gift Aid is reclaimed by the charity from the tax
you pay for the current tax year.

Your address is needed to identify you as a current UK
taxpayer. In order to Gift Aid your donation you must tick
the box below:

I want to Gift Aid my donation of

and any donations I make in the future or have made in
the past 4 years. I am a UK taxpayer and understand
that if I pay less Income Tax and/or Capital Gains Tax
than the amount of Gift Aid claimed on all my donations
in that tax year it is my responsibility to pay any
difference.

Please notify the charity if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income
and/or capital gains

If you pay Income Tax at the higher or additional rate
and want to receive the additional tax relief due to you,
you must include all your Gift Aid donations on your Self-
Assessment tax return or ask HM Revenue and Customs
to adjust your tax code.

We'd like to keep in touch to update you on the SVR. By
providing us with your personal information you consent
to the terms of our Privacy Statement available on request
& at www.svrtrust.org.uk. If you change your mind you
can unsubscribe at any time by letting us know.

**Tel: 01562 757941
fundraising@svrtrust.org.uk
svrtrust.org.uk**





For more information or to register your interest,
call us on **01562 757900** or visit svr.co.uk/shareoffer

Severn Valley Railway (Holdings) plc, Number One, Comberton Place, Kidderminster, DY10 1QR

