

JANUARY 2020



Protocab

OWNER'S CLUB

OWNERS'

UPDATE

THE NEWSLETTER FOR CUSTOMERS OF ACC+ESS LIMITED- MANUFACTURERS OF THE PROTOCAB WIRELESS MODEL RAILWAY CONTROL SYSTEM

Edited for you by Tony Hagon, Director, Acc+Ess Ltd

New products - moving on

Normally, I let our Protocab Owners have news of developments before they are published in the Club Protocab newsletter or released for general distribution. However, on this occasion you will already have received the latest newsletter in which I announced that the pre-orders had not reached the planned target for production of the new products. I am writing this Owner Update to provide all Owners (and this includes those who do not yet have a Protocab system but have

paid a deposit for the new products) with what we plan from now on. The new products build on the success of the Pilot Series products which have been given high levels of satisfaction by a wide number of Owners, but we are aware of shortcomings reported by Owners, many of which the new products seek to address. It is very clear, from correspondence and telephone calls we receive, that many Owners want us to press forward with the new products, and,

despite not reaching our pre-order target, this we intend to do as far and as fast as we possibly can. Our agreement with you for pre-ordering the new products was your payment of a deposit which we commit to refund if the target level of pre-orders was not reached. We are now ready to make that refund but a number of Owners have suggested alternatives which you may wish to consider.

Our immediate plans for the new product pre-orders

Option A. Get a refund of your pre-order payment

If you wish, you can now get a full refund of your pre-order payment, as per our terms and conditions. If you paid through PayPal, you will receive your deposit in full to the same account. If you paid with a credit or debit card, the refund will be made in full to the same credit or debit card account.

Option B. Extend the pre-order phase until we reach the 100% target

If you are content to wait until we reach 100% of the pre-orders needed to produce a cost-effective batch, we can continue to hold onto your payment for the time being. We will keep you updated on progress to the 100% target before we commit to ordering our full production batch. You can also nominate an end date following which we will refund your deposit if we have still not, by then, achieved the target.

Option C. Obtain a prototype system to test as part of the Beta Test community

We will make available a number of pre-production new products to those Owners who want the opportunity to receive a prototype system (defined below) as soon as possible. Details are outlined on the next page.

As of 31/12/2019 we were at 38.5% of target and trending upwards.

Based on current trends (and following a certain percentage drop-off anticipated as a result of some exercising of Option A above), 100% is targeted to occur mid-2020. If you wish to take this option, would you please email sales@protocab.com to confirm whether you want your deposit to be retained until the 100% target is reached, or whether you wish to apply a date by which, if the target is still a way off, you wish to have your deposit refunded.

Whichever option you choose please contact us via email (apoc@protocab.com) or telephone 07831 231164 and we'll be delighted to talk you through the options in more details.

Please note that we are not attending ModelRail Scotland in Glasgow in February this year. We are generally pulling back on exhibitions and magazine advertising while we consolidate our immediate product plans.

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Your support contact is support@protocab.com or telephone 07831 231164

Option C: Pre-production units for Beta Test

We will be able to order a limited number of new products which will be designed for Beta Testing. Please accept that we need to offer the following conditions as part of taking part in this option:

- i) you will be undertaking a Beta Test on behalf of Acc+Ess Limited and thus would not take title to the *pre-production* units, which would remain the property of Acc+Ess Limited until the Beta Test is completed and the new products are available for general sale to the public. Details of the conditions of participating in the Beta Test (i.e. the obligations we are asking you to accept) are available on request to apoc@protocab.com or by telephoning 07831 231164.
- ii) you increase the deposit you have already paid to the price of the new products as defined in the pre-order price list (i.e. list price minus deposit made) up to the value of a single pre-order system (see below), so that we can cover the cost of the pre-production units. You should by now have a detailed statement and receipt for the deposit payment.
- iii) you will be invited to join and participate in the **Protocab Special User Group** to determine future development of the product, Owners in which will have a key say in which new

features we prioritise for development and to suggest future developments.

- iv) When the Beta Test is completed, you may either
 1. at no further cost, trade in the pre-production items for production items when the new products go on general release, or
 2. retain the pre-production items supplied to you as a 'limited edition' first batch Protocab new products system. You will appreciate that the pre-production products will have a limited warranty.

Component Pre-production units for the Beta Test

The pre-production system for the Beta Test will comprise a Starter Set and a Locomotive Set which, together, will include:

- 1 x 0241 Touch Controller
- 2 x 0505 OR 2 x 0554 OR 1 x 0505 and 1 x 0554 Locomotive Control Units
- 2 x 9611 Contact Charging Units OR 2 x 9650 Wireless Induction Charging Units OR 1 x 9611 Contact Charging Units and 1 x 9650 Wireless Induction Charging Units
- 2 x 1901- (cylindrical) or 1902- (flat) lithium ion batteries of your choice

As a guide, the full pre-production price for a 0005CXL Starter Set, comprising
1 x 0241 Touch Controller
1 x 0505 LCU
1 x 9611 CCCU
1 x 1902-902944 battery is £345.95 including VAT and delivery plus
The additional 0065XL Locomotive Set, comprising
1 x 0505 LCU
1 x 9611 CCCU
1 x 1902-902944 battery is £139.87 including VAT and delivery
So the total price for this configuration for option C would be £485.82.

As notified in the offer to pre-order the new products, these pre-production units will be available in late Spring 2020.

The closing date for this option is midnight on

Friday 24 January 2020.

Ordering for Option C must be by telephone to 07831 231164 before that date/time.

Planned availability of the pre-production components is c. ten weeks from then, i.e. around the beginning of April.

Your questions answered

I only pre-ordered the 0241 and one new product LCU, does that mean that I cannot choose option C?

The purpose behind the pre-production set having two LCUs is to test many of the functions such as 'Free Running'. You can still participate with only one LCU but you wouldn't then be able to test some of the functions of having the new LCUs installed in multiple locomotives. Please discuss your requirements with us.

I have opted to trade in my existing Pilot Series products. When will you require me to send them to you?

Not yet, please. If you are choosing Option C it will be an advantage to test the 0241 in the same radio range as the 0201 and 0502, also to test the adoption of the 0502 to the 0241.

If you were budgeting the cost of the new products against the trade in, we are asking you to extend the deposit to cover the pre-order price

of the pre-production set in full. We will apply the trade-in refund when the new products become fully available for public sale.

You say that by taking Option C I wouldn't take title to the products. Why not and when would I take title if at all?

We expect the beta test to reveal defects as well as Owner recommendations for improvements *next page*

which, so far as we can, we will implement in the full production series.

In strict commercial terms, if you took title to these products, there would be no compulsion on us to repurchase them from you or replace them, unless defective under the terms of our guarantee or the Sales of Goods Acts.

However, we don't operate like that and prefer you to have a proper working version after the Beta Test is completed, unless you want to retain the pre-production units as a 'limited edition', in which case we will pass the title to the products to you via a confirmatory letter.

We are asking for you to pay the full amount as a 100% **deposit** to cover the costs of purchasing the components themselves which, at the much smaller volumes for the beta test than we would negotiate for full production, will be significantly more expensive for us from our suppliers.

Why are you only offering pre-production products? Why can't you go ahead with full production?

In order to reach what we consider would be an acceptable retail price, we have to commit to our suppliers to purchase a volume of components that attracts a suitable volume discount. We need to know that there would be a demand for this volume of products, hence the requests we initiated in September

for pre-orders to enable us to assess the likely demand.

The number of pre-orders was very good but not quite enough to give us the confidence that the balance of products would be purchased by our Owners in a reasonable timeframe. The retail price we have set also covers essential overheads, including marketing, administration, wages, etc. and has to provide us with a reasonable profit. The components we will purchase for the pre-production products at the volume level to cover our forecast take-up of this option, are, in many cases, twice the price of the production volumes and the pre-production phase does not incur the overheads or enable us to take any profit. You will understand that this is not commercially sustainable for the long term.

I ordered substantially more than one new product Starter Set and one Locomotive Set. Can I have what I pre-ordered?

We are very grateful for your welcomed pre-order and we are eager to satisfy your order as soon as possible. Even if we had achieved the target for the new products, we would carry out the essential Beta Test before finalising production. With the step we are now taking, we are reversing the process and carrying out the Beta Test first before having the level of demand that will enable us to go into full

production. This will enable us (and a substantial number of Owners who regularly recommend and promote Acc+Ess Protocab, and to whom we are very grateful for their enthusiastic support) to show the new products with the aim of increasing demand for the initial production run.

You own the pre-production products, am I liable to pay you money if I damage or lose the items while in my possession?

Acc+Ess will take that risk. It is clear that our Owners want us to succeed with Protocab and we want to make it as easy and risk free as possible for Owners to help us in testing our new products.

There is a corollary though, and that is that we have to ask Owners who Beta Test our products to absolve Acc+Ess from any loss, consequential or otherwise, incurred as a result of using the pre-production products to carry out the beta test.

If I undertake the beta test and then decide that I no longer want the full production units, can I have a refund?

Yes. Acc+Ess will refund you the full amount of the deposit you have made. This is the same as if you were to have chosen option A.

If we haven't answered your questions above, please contact us.

The Pilot Series

We would like to assure you that the Pilot Series products will continue to be available for the foreseeable future, with the possible exception of the 0201 Direct Controller. If we are to continue to produce the 0201, we will have to purchase a number of key components, especially the keypad membrane, which has been out of stock for some time. As the

second most expensive component on the 0201, we had to purchase a considerable number of units as a minimum order quantity and, given the significant advantages offered by the 0241 Touch Controller, we are carefully assessing the future of the 0201. For the moment, this provides us with a difficulty in supporting new sales of the 0001 Starter Sets,

but we have retained a small number of 0201s in case we need to replace any defective Owner's 0201 under our guarantee. The 0502 Locomotive Control Unit is still supported and in stock and the 9601 Plug Charging Unit and 1902-batteries will continue as options for use with the new products.

Since we issued the Club Protocab newsletter earlier this week, we have received a substantial number of very welcomed comments, all of which the senders (Owners and non-Owners alike) have made very constructive recommendations for Protocab. We have also received a great many emails over the Christmas and New Year and are doing our best to reply to them all as soon as possible.

Please bear with us if we are a little late in getting a reply to you. A number of emails have congratulated me for taking time off to have a running session on Tregorran! After all, isn't this what we all want and what we intend that Protocab supports highly effectively! It's back to work now, not only with the existing but the new products and a backlog of Owner conversions to undertake. As outlined above, we are currently experiencing difficulty with the stock of new 0201 Direct Controllers, but conversions for Owners with existing 0201s are fine now that we have some more 0502 LCUs back in stock.