

**Transport  
HeritageNSW**



3642

# *Annual Report 2013-14*



## **Chair's Report**

**Peter Lowry OAM**

It has been a great pleasure and privilege to serve as your Chair of Transport Heritage NSW especially during this watershed period of change, reform and renewal. My first year has been challenging but, ultimately, a successful and gratifying one, and I wish to thank all members, volunteers and staff for your understanding and patience regarding the enormous and complex volume of work required in setting up the new company.

The integration of Trainworks and the former Office of Rail Heritage with Transport Heritage NSW has required concentrated effort and diplomacy as we worked to balance the need for probity, respect and fiscal responsibility with the need to keep the heritage rail sector running smoothly.

During my relatively short but eventful time as Chair, I have been dedicated to promoting safety as our highest priority, followed closely by fiscal responsibility, effective communication, branding, care for our heritage assets, and respect for and engagement with our volunteers who, in so many ways, represent the lifeblood of our organisation.

In order to realise the vision set out for the sector in the Azarias report 'All Aboard! A Fresh Start for Transport Heritage in NSW', we have arranged new offices, commenced appointing staff and liaised positively and constructively with Transport for NSW. These activities have been time-consuming but essential. They are gradually being accomplished successfully as the first phase of our establishment is completed.

The finalisation of the Funding Deed and the Master CMA along with its administration has now been completed. In addition, the board of directors have spent weeks working on a draft strategic plan which will be submitted to members for discussion at our inaugural Transport Heritage Conference, incorporating the AGM on 22 November 2014.

Your elected directors have worked tirelessly. They attend and contribute to fortnightly workshop meetings, as well as monthly meetings with the appointed directors.

We have also tried to keep members abreast of the work in progress. However, despite these efforts, we believe some members have not been receiving our emails. To increase the efficiency of our communications, we are currently updating our records and urge you to ensure we have your correct contact details and email addresses so you can receive our monthly member 'e-news' updates. Through these updates, members can learn about the steady progress being made towards achieving, with the assistance of Transport for NSW, solutions to long-running matters such as the 3801 boiler challenge and how best to achieve an amicable workable arrangement for 3801.

Other conspicuous achievements during 2014 have been the plans for the future of the Large Erecting Shop, Broadmeadow, assistance with regard to compensation for the Zig-Zag Railway and the acquisition of other assets. We have also achieved remarkable co-operation and harmony among other major transport heritage groups within the sector.

We are now ready to embark on the second phase of our establishment which involves greater engagement of members through advisory groups and regular conferences where members can have their say and contribute more to the running of the company.

Members will understand that while we are financially strong we must comply with corporation law and all necessary statutory legislation. This has meant progress has not always been as rapid as we all would have hoped. Your patience and support in this regard has been appreciated.

As Chair, I would like to thank the members of our excellent board for their dedication, superior skills and willingness to contribute their expertise to the challenges that have faced us during the year. I would also like to express gratitude

to our CEO who is highly committed and experienced and has achieved remarkable results during the year with only a small staff contingent.

As I have moved about this year, I have been extremely impressed by the passion, skill and achievements of our members. Those of us who travelled with the Governor of NSW, Dame Marie Bashir AD, CVO to Valley Heights in January, were delighted by her infectious enthusiasm for the heritage transport sector and its members, volunteers and staff. The volunteers and staff on the train carrying the Governor, and the volunteers and staff at Valley Heights demonstrated a significantly high level of professionalism during the Centenary Celebration, as they do on all occasions.

There have been many other high points this year where members, volunteers and staff have excelled, including the Festival of Steam and family days at Thirlmere - who could fail to be impressed by the thousands of children enjoying Thomas the Tank Engine? The trips to the South Coast and Southern Highlands and the community outreach events at Newcastle and Tamworth along with the outstanding Sydney Great Train Expo at Central in June.

I was also moved by the members' gesture of appreciation towards one of their own, Frederick Bowers, an elderly long-serving volunteer. I was honoured to present Fred with a Life Membership badge and certificate at a small ceremony at Woodberry Village, Winston Hills where he now resides.

I feel sure that the skills, professionalism and tremendous co-operation demonstrated on these occasions point to a wonderful future for the transport heritage sector. We are like a family. We may have occasional differences but we share the same loyalty and passion for transport heritage. Our great strength lies in the respect we have for each other and our dedicated co-operative endeavour.

As we meet the challenges ahead with a positive, constructive and co-operative spirit, and as we strive to provide encouragement and training for young volunteers coming on, we will ensure that the transport heritage sector survives and thrives, 'full steam ahead', with strength and a clear vision for the future for generations to come.

#### **Peter Lowry OAM**

Chair, Transport Heritage NSW Ltd

*Picture opposite page: Transport Heritage NSW Chair, Peter Lowry with Governor of NSW, Professor Marie Bashir and then Premier of NSW, Barry O'Farrell MP arriving at the Centenary of Valley Heights Locomotive Depot on 31 January 2014*

# Inaugural Annual Report 2013-14

## **Contents**

<b>Chair's Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
· CEO Report	4
· Operations Report	5
· Asset Management Report	6
· Hunter Report	7
· Illawarra Report	7
· Blue Mountains Report	8
· Retail	10
· Company information	10
<b>Financial Statements</b>	<b>14</b>

## **Company Information**

### **Transport Heritage NSW Ltd**

ABN 25 000 570 463

### **Registered office:**

Suite 3010, Locomotive Workshop  
2 Locomotive Street Eveleigh NSW 2015

### **Trainworks:**

Barbour Road Thirlmere NSW 2572

### **Valley Heights Locomotive Depot Museum:**

Tusculum Road Valley Heights NSW 2777

# **Transport HeritageNSW**

# CEO Report

The 2013-14 financial year saw the landmark transition of our organisation as the centrepiece of a suite of reforms introduced by the NSW Government following the transport heritage review.

By voting overwhelming for change, our members endorsed a transition in December 2013 from the proud 51 year history of the NSW Rail Transport Museum (NSWRM), to a fresh start for NSW's rail and transport heritage as the new entity, Transport Heritage NSW (THNSW).

Much more than simply a new company name and constitution, the transition to THNSW has a strong and trusting partnership with Transport for NSW (TfNSW) through a Funding Deed and subsequent Master Custody Management Agreement for a select portfolio of the State's transport heritage assets.

THNSW now has a base level of funding from TfNSW to integrate the previous activities of the NSWRM, Trainworks Ltd and the Office of Rail Heritage, perform agreed works and services, undertake new and expanded responsibilities for asset custody and management, and work with the wider transport heritage sector.

After 20 years voluntary service and life membership of NSWRM, I am privileged to now be entrusted with the role of CEO of THNSW, working with our new Chair, Peter Lowry OAM and Board. I would like to pay tribute to the entire team who led NSWRM until the transition to THNSW and my commencement in late January. The devotion, unity, skill and hard work displayed by the Board, volunteers and staff of NSWRM during often difficult financial and operational times is a true testament to what is so great about our transport heritage sector. In particular, the efforts of the two previous Chairs, David Ireland, and Peter Berriman, must be acknowledged.

It is a tribute to these combined efforts that we have now moved to an era of improved financial security and an expanded and more sustainable role for our organisation providing a positive profile and relevance for the wider community and corporate support.

However, the hard work continues. THNSW is a refreshed and transformed entity with a broader set of responsibilities, accompanied by an agreement with the NSW Government that places enormous trust and faith in the organisation.

With this in mind, the first half year of THNSW has seen a strong focus on getting the basics right. These often 'unglamorous', behind the scenes, yet essential tasks have all been about positioning THNSW for a strong future. Hallmarks of the January to June 2014 establishment phase have been:

- Introducing and transitioning to THNSW with a deliberate, gentle, incremental and considered change, aimed at respecting the members and volunteers by 'evolution, not revolution'
- New Board and CEO settled in and on the job, new organisation structure introduced, systems and processes updated, staff transitioned and Trainworks integrated back into THNSW
- 'Business as usual' maintained and improved for all our valued activities and services, despite the enormous background change and workload necessary for a smaller staff team than the previous combined workforce of ORH, NSWRM and Trainworks
- Patronage and event numbers significantly increased, including over 6500 passengers at our highly successful June long weekend signature event, the Sydney Great Train Expo
- Extensive negotiations underway with TfNSW for a new Master Custody Management Agreement. THNSW is devoting the time and resources necessary to negotiate a new Agreement which delivers for both our stakeholders and the Government's assets, preserving and expanding our members contribution to the long treasured rail heritage collection
- Careful management of funds, efficiency and cost savings have all enabled substantial and ready funding for the major overhaul of steam loco 3526 and catch up works on our heritage train fleet
- Strategic planning commenced with an extensive survey of members and volunteers eliciting hundreds of responses
- Ongoing and extensive administrative work with TfNSW on major developments including:
  - ▶ Implementation of the Transport Heritage Review recommendations
  - ▶ Development of arrangements for Broadmeadow Locomotive Depot
  - ▶ Continuing the 3801 boiler project and overhaul

The one aspect of our organisation that hasn't changed, and will not change, is the fact that volunteers are at the centre of all that we do. Our future depends on building our volunteer base, and harnessing the benefits of a blended volunteer and paid workforce.

I want to thank all our loyal and devoted volunteers and staff who have continued to work tirelessly and who have remained patient during this significant period of change.

I have no doubt THNSW is just at the beginning of the next, very exciting chapter for our State's transport heritage and I look forward to working with you all.

**Andrew Killingsworth**  
Chief Executive Officer

## Operations / Heritage Express

Operations results for Financial Year '14 are pleasing.

An extensive program of heritage train tours and events operated throughout the year, covering 28,128 train kms and carrying 40,929 passengers throughout NSW, Victoria and South Australia.

Passenger numbers increased by a healthy 9.3% over the previous financial year which continues a trend since 2012 of year on year increases.

Operating highlights of the financial year included a journey of the Southern Aurora to Port Augusta in South Australia – chartered by long-time customer St James Rail, regional outreach steam tours to the Riverina and Hunter Valley Steamfest, popular events including the Sydney Great Train Expo, Day Out With Thomas and Thirlmere Festival of Steam and participation in the soon to be released feature film 'Unbroken', directed by Angelina Jolie.

Regular products such as the Thirlmere Flyer, Southern Highlander and Rail & Sail also filled the program and continue to perform strongly.

Southern Aurora rail escapes had mixed results however our new Food & Wine Rail Trail packages have proved popular and there is opportunity to grow this product.

Our most significant train running costs continue to be

fuel (coal and diesel) and associated transport and track access. These costs are unavoidable however we are fortunate to maintain good relationships with a number of fuel suppliers which can help ease the cost impact from time to time.

We are also very fortunate that many of our safeworking crews choose to donate their time to the organisation. This has a significant positive effect on the profitability of each tour and we are grateful to those people, and of course our strong volunteer contingent of professional onboard services personnel for their continued support.

As we continue to establish THNSW, there will be an increased focus on engagement of the public and train operations have a huge role to play, particularly through events. Whether they are staged in regional NSW, locally at Trainworks or in Sydney and suburbs, the potential for our moving museum to engage the community is significant and we are making a good start at tapping into that potential as evidenced in our passenger numbers.

I would like to thank the volunteer operations support team for their continued dedication to our train operations and willingness to give their time – often inconvenient – to keep the wheels turning.

**Daniel Page**  
Operations Manager



*The Great Train Race between loco 3642 and 5917 as part of the Sydney Great Train Expo on 9 June 2014.*

## Asset Management



*Thirlmere Station's signal box has been repaired with a new floor, timber mouldings and side sheets.*

Volunteers across the assets division gave an estimated total of 17,900 hours in the 2013–2014 financial year, working on reconstruction projects and collections maintenance; fleet repairs, train preparation and travelling maintenance; maintaining the track and signals; and assisting with Thirlmere-based events.

Due to the concentration on the establishment of THNSW, achievements across the group were less exciting than in other years. Despite the challenges, however, the high standard of the operating fleet was maintained, and while the incidence of minor repairs was consistent compared to previous years, there was only a single major in-service failure to report for the year, which is an improvement on previous performance.

During the reporting period, the manufacture of the new underframe for 3526's tender was completed and the new tank mounted to it, an important milestone in the reconstruction project. A project to reclad the VHO crew car was commenced and largely finished by the end of June, while the project to reclad passenger car TBC 532 and return it to traffic was successfully completed.

July 2013 saw the volunteer Perway team achieve a personal best in the replacement of 40 sleepers over a single two-day period. The team also rectified the superelevation problems at the cattle underpass on the Picton–Thirlmere section of the Loop Line during an ARTC weekend shutdown of the Main South Line.

The NSW Rail Transport Museum was involved in the organisation and operation of the Association of Tourist and

Heritage Railway Australia (ATHRA) stand at AusRail 2013, which was held in Sydney last November. This was the first time that ATHRA had been represented at AusRail and the first time that disparate NSW heritage railway groups had joined forces to promote themselves to this sector.

Collections work was largely limited to maintaining the existing display collection over the reporting period, although the volunteer-led Arnott's Biscuits Van reconstruction continued.

The headboard from the 1954 Royal Train, which is part of the member-owned collection, was loaned to State Records NSW as the centrepiece of their temporary exhibition marking the anniversary of the first visit of a reigning monarch to Australia, while the headboard from the last Camden Train (also part of the member-owned collection) returned from display at the Camden Historical Society, marking the anniversary of the closing of the Camden Line.

Thirlmere Station's signal box was repaired in June with a new floor, timber mouldings and side sheets to repair damage.

As always, all the staff and volunteers involved in asset management across the organisation have put in an incredible effort throughout the year to keep the track and signals repaired, the trains operating and the collection maintained, and they all deserve congratulations for their endeavours.

**Jennifer Edmonds**  
Asset Manager

## Hunter Division

Over the past 12 months the Hunter Division has been working towards gaining formal access to the Broadmeadow site. It may seem that not much has been going on, however there is never an idle moment for us.

We have produced several documents for the site and safety management, along with a site survey of the services and the production of engineering documents for the buildings on the site. The site services had to be identified and mapped for future reference. We have also gained many of the original site survey and engineering drawings back to the depots original plans by E.E.Lucy CME NSWGR.

Many meetings have been held on site with the various stakeholders which include Transport for NSW (TfNSW) Property Division, rail contractors, the adjoining Endeavour maintenance centre and the security personnel. The list is long and exhausting.

In August we hosted our CEO and the THNSW board along with representatives from TfNSW during a site familiarisation day. This followed an earlier visit in April by officials from TfNSW, Sydney Trains and our CEO, for both of these meetings the Hunter Division presented a briefing document to assist with the proposed management of the site. Not to mention the countless emails and telephone calls to facilitate these activities.

We have also produced our newsletter that was distributed to our Hunter Division members.

I now wish to thank the Hunter Division board. Without their constant care and endless commitment we would not be where we are today. The Hunter Division committee would also like to thank the Hunter Division membership for their understanding regarding the delays in gaining formal access to the site to allow the Hunter Division members to carry out work on the site.

We also remember our mates who are not with us to see the day when Broadmeadow Loco Depot will be open once again.

**Shane Blatchford**  
Hunter Division

## Illawarra Division

During the past year, the Illawarra Division's regular monthly meetings continue on the first Tuesday of each month.

Our meetings provide a welcome forum for members to be updated on developments within the organisation, and to welcome new members to our group. Entertainment is a feature of these monthly meetings, with a rail themed discussion by a guest speaker, a presentation of still photographs or movies presented on the big screen.

Bev Holmes, our services officer, continues to provide our monthly meetings with a small range of publications. The availability of these items at our monthly meetings provides a great service to local members, as well as providing some financial returns to support the operation of our local group.

Vaughan Williamson, ably assisted from time to time by Bruce Merrett, has continued co-ordinating our monthly supper arrangements, by ensuring the availability of a hot cuppa and biscuit during the break between the formal part of the meeting and the following entertainment.

Richard Wilson has continued to produce our monthly Illawarra Newsheet, which keeps us all interested and involved with the local group along with rail heritage and railways in general.

Bruce Merrett has again continued this year as the Illawarra Division's secretary, co-ordinating the records of the meetings, clearing the mail and filling in for the chairman and others on the committee as required. We thank Bruce for his continuing efforts and support.

Again, special mention and thanks must go to our long standing treasurer of 40 years plus, Don Estell, who continues to manage our financial matters over the course of the year. All within the group appreciate Don's tireless efforts who has been recognised formally as a life member of Transport Heritage NSW.

I would like to conclude by thanking all Illawarra Division members for their interest and involvement with the group over the last 12 months and look forward to the new developments of the year ahead.

**Ian Sheppard**  
Illawarra Division



## **Blue Mountains Division**

The year 2013/2014 has been a year of significant achievement and celebration for the Blue Mountains Division and Valley Heights Locomotive Depot Museum.

The year of course was highlighted by the Centenary Celebrations in January however there were many months of planning and preparations that went into organising the event that made it the success it was.

In the lead up to the occasion many hours of cleaning up of the site were invested by our membership, the results of which have made the Museum more pleasant and safer for our visitors. Improved Exhibit presentation and more access to exhibits within the roundhouse were achieved with some positive feedback resulting from return visitors who had noticed the improvement.

The year saw the completion of exhibit MRC25706 to its Nepean Milk service days.

RBR1047 the major restoration work to restore this exhibit is largely complete, with the external body of the car re clad with matchboard sides and painted in Caves Express livery.

A new exhibit, which opened in time for the Centenary, was the completion of a model of Valley Heights in HO scale depicting the 1950's

Of course the highlight of the year was the culmination of the centenary celebrations for the Valley Heights Locomotive Depot on Friday 31 January 2014.

Our distinct band of guests included, Her Excellency

Professor the Honourable Marie Bashir AC CVO, Governor of New South Wales, accompanied by Sir Nicholas Shehadie AC OBE, the Honourable Barry O'Farrell MP Premier of NSW, the Honourable Gladys Berejiklian MP Minister for Transport, the Honourable Milton Morris AO former Minister for Transport, Mr Rob Mason Chief Executive NSW Trains, Mr Howard Collins Chief Executive Sydney Trains, as well as Transport Heritage NSW board and life members.

This celebration was the first significant event for the newly formed organisation (THNSW). Our guests were transported aboard a special train organised by Heritage Express from Central to Valley Heights after which a formal ceremony and luncheon was served for the 200 guests. In June, Heritage Express also provided a day of Steam shuttles between Penrith and Valley Heights for the local community as a celebration of the depots centenary.

We would like to acknowledge the support and assistance provided by THNSW and Heritage Express in making the centenary day the success that it was.

Our relationship with the members of the Steam Tram & Railway Preservation Society continues to grow.

This year has been without a doubt a year of celebration, significant achievement and success.

To all our members (too many to name), who have contributed in whatever way possible throughout the year a big expression of thanks for your efforts. Without your contributions this year would not have been the success that it has been.

**Andrew Tester**  
Blue Mountains Division

*Locomotive 3642 and steam tram at Valley Heights.*





*Top and right: Valley Heights Centenary Celebrations.*



*Below: RBR1047 restoration.*



*Above: Governor of NSW, Professor Marie Bashir inspects the new HO scale model depicting Valley Heights during the 1950s.*



*Left: MRC25706 restored to its Nepean Milk service days.*



## Retail

The retail team consists of myself, Carlo Ferrari, James Compton, and Robert Carlin.

Our team meets on Thursdays at Thirlmere where we process mail orders, restock the train with souvenirs and undertake product development. We are well supported by Les Wilson and Brian Woolley, whose knowledge and assistance is always appreciated.

The group can be proud of the 595 volunteer hours attributed for the year.

During the 2013-14 financial year the retail group focused on reducing all our damaged/old stock lines. We produced show bags using damaged stocks of P Class books, old Roundhouse magazines, posters, etc. Because of their great value, these were very popular with our customers on board and souvenir sellers alike. This allowed us to reduce our NSWRTM-branded merchandise, which has made the transition from NSWRTM to THNSW a lot easier. Income for year was almost \$38,000.

The RTM 2014 calendar was once again a sales success. New publications were introduced, along with several new souvenirs of which the 3642 mug and the 4001 mug have been the most popular stock lines. A second Bevan Wall DVD has also proven popular.

We had a number of stalls through out the year including at Thirlmere Public School's 125<sup>th</sup> celebrations, the Liverpool Model Train Expo and the Thirlmere Festival of Steam. All these events were an enormous success, helping to promote our brands.

The team wishes to thank all those volunteers who manned the stalls, and the passenger attendants for selling merchandise on the trains, and their suggestions for new stock lines.

**Mel Anderson**

## Company Information

### DIRECTORS REPORT

The Board of Directors submits its report together with the accounts of the Company for the financial year ended 30 June 2014.

### DIRECTORS

The names of the Directors in office as at the end of the financial year are:

Rod Caldwell	
Howard Collins OBE	
Brett Fitzpatrick	Company Secretary
David Ireland	Deputy Chair
Peter Lowry OAM	Chair
Timothy Reardon	
Ray Rumble	

### PRINCIPAL ACTIVITIES

The Company's name and Constitution were changed on 10 December 2013 – the Company's name altered from NSW Rail Transport Museum to Transport Heritage NSW Limited.

The Company is an independent, not for profit organisation. The principal activities of the Company during the financial year were:-

- the care and maintenance and operation of the majority of the states heritage rail assets from our base at Thirlmere
- operation of steam and diesel hauled heritage rail tours and charters throughout NSW and interstate through its Heritage Express rail tour business
- preservation, care, maintenance, restoration and interpretation of the museum exhibits at Thirlmere to enhance the visitor experience at Trainworks
- maintenance of the Thirlmere Heritage Railway between Picton and Colo Vale, and passenger train operations between Picton – Thirlmere – Buxton for Trainworks Ltd
- production of Roundhouse magazine and the annual calendar
- preservation, care, maintenance, restoration and interpretation of the museum exhibits at the Valley Heights Locomotive Depot Heritage Museum
- managing the 3801 mechanical overhaul project, and
- fostering an interest in the railway heritage of NSW,

Our key programs are:

- Conservation and heritage management
- Increasing public awareness of rail heritage
- Education
- Developing rail heritage tourism
- Customer service
- Building & maintaining our support base
- Presentation
- Maintaining our expertise in rail heritage
- Environment

There were no significant changes in the nature of the principal activities of the Company during the year ending 30 June 2014.

## RESULTS AND DIVIDENDS

The Company is reporting for the 12 month trading period to 30 June 2014.

The operating result for the twelve month period under review was a profit of \$429,523. The payment of dividends is prohibited by the Company's Constitution.

Trading for the period from 1 July 2013 to 31 December 2014 was conducted by the NSW Rail Transport Museum. Trading for the period from 1 January 2014 to 30 June 2014 was conducted by Transport Heritage NSW Limited.

## MEMBERSHIP

The number of financial members as at 30 June 2014 was 2,170 a small increase over the previous year. As at 30 June 2014, the Company had 35 Life Members:

## THIRLMERE HERITAGE RAILWAY

During the 2013 – 2014 year the Company continued to receive a payment from Trainworks Ltd for the provision of the weekly Thirlmere Heritage Railway train service under the terms of the Memorandum of Understanding with RailCorp for the operation of Trainworks.

## PUBLICATIONS

The Roundhouse magazine was produced four times in 2013-14. The Directors thank David Oram for his volunteer activities as Editor of the magazine.

## DONATIONS and GENERAL RESTORATION FUND

During the year a total of \$48,862 in donations was received. The Directors are extremely appreciative of this continued financial support from members and supporters of THNSW.

## PAID STAFF and VOLUNTEERS

The Directors sincerely thank all paid staff and volunteers for their contribution, passion and dedication in 2013-14.

## SAFETY and ENVIRONMENT

The Safety and Environment Review Committee met five times during the 2013 – 2014 year.

Standing items on the meeting agenda include review of the safety management system, environmental management system, ONSR audit findings, safety and environmental performance, risk review, legislative change and monitoring, workplace safety, training and competency, health management, incident investigation and reporting, interface agreements, corrective and preventative action, and document management system.

## TRANSPORT for NEW SOUTH WALES

The Directors acknowledge the continuing support of Transport for New South Wales in providing access to funds to support capital projects for RailCorp-owned rolling stock and locomotives that are under the care and maintenance of the Company.

On 20 December 2013 the Company signed a Funding Deed with Transport for NSW. The Funding Deed provides a base level of funding for the Company to provide specified services and activities, manage the State's rail heritage collection, undertake assets works and work with the wider transport heritage sector.

The Heritage Asset Custody and Management Agreement signed between the Company and RailCorp on 4th April 2008 remained in force during the reporting period.



## INFORMATION ON DIRECTORS

The names and details of the Directors in office at 30 June 2014 are as follows:

### Peter Lowry OAM

#### Chair

Appointed Chair Non-Elected Director	Qualifications	Bachelor of Laws Officer of the Order of Australia Medal (2003) North Sydney Citizen of the Year (2000)
	Experience	Law, Urban Planning and Mediation Board Member Sydney Harbour Foreshore Authority Board Member Sydney Harbour Federation Trust Board Member of various NFP and performing arts organisations THNSW Appoint Chair / Director since December 2013

### David Ireland

#### Deputy Chair

Elected Director	Qualifications	Professional geologist. Rail operations professional.
	Experience	NSW Police Force 1986 -2001 NSWRM Director December 2012 to December 2013 THNSW Director since December 2013 Vice Chairman to April 2013 Chairman April 2013 to December 2013

### Ray Rumble

Elected Director	Qualifications	Professional commercial broadcaster (ret).
	Experience	NSWRM Director April 2013 to December 2013 THNSW Director since December 2013

### Brett Fitzpatrick

Elected Director	Qualifications	Human resources professional
	Experience	NSWRM Director August 2002 to December 2013 THNSW Director since December 2013 Company Secretary since August 2006

### Rod Caldwell

Elected Director	Qualifications	Professional engineer & manager, heritage professional (Master's Degree)
	Experience	NSWRM Director November 2010 to December 2013 THNSW Director since December 2013 Other directorships and senior management positions in the electricity supply industry and the NFP sector, including community-based organisations

### Timothy Reardon

Non-Elected Director	Qualifications	Bachelor of Technology (Engineering & Management); Graduate Certificate in Natural Resources; Diploma of Engineering (Civil); Business Management Certificate, AIM; Company Directors Diploma, AICD
	Experience	Deputy Director General Policy and Regulation, Transport for NSW Transport policy, transport infrastructure projects, transport service delivery reform Financial and risk management Corporate governance THNSW Director since December 2013

### Howard Collins OBE

Non-Elected Director	Qualifications	Master of Business Administration Officer of the Order of the British Empire (2013)
	Experience	Chief Executive Sydney Trains Former Chief Operating Officer London Underground Former Director of London Transport Museum Former member of British Transport Police Authority Lead Director London Underground and London Rail for 2012 London Olympic Games General management, rail operations, rail heritage, pension trustee THNSW Director since December 2013

**MEETINGS OF DIRECTORS**

During the financial year the following meetings were held. Attendances were:

	Number eligible to attend	Number attended	Note
Peter Lowry OAM	6	6	3, 4
Don Godden	5	2	3
Brett Fitzpatrick	11	11	1
Rod Caldwell	11	11	1
Timothy Reardon	5	4	3
Narelle Stoll	5	5	2
Howard Collins OBE	5	5	3
David Ireland	11	10	1
Ray Rumble	11	11	5

**Notes:**

1. Elected director, appointed 19 December 2012
2. Resigned 26 November 2013
3. Non-Elected Director, appointed 18 December 2013
4. Appointed as Chair 16 January 2014
5. Elected director, appointed 23 April 2013

**AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration for the year ended 30 June 2014 can be found on Page 15.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no member of the Board of Directors has received or become entitled to receive any benefit by reason of a contract made by the Company with a Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial interest.

**OFFICERS' AND AUDITORS' INDEMNIFICATION**

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate –

- (i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings with the exception of the following matter:

During or since the financial year the Company has paid premiums in respect of a policy insuring all the Directors and Officers of the Company against costs incurred in defending any legal proceedings which may eventuate. The total amount of insurance premiums paid for this cover was \$5,260.00 (including GST).

**PROCEEDINGS ON BEHALF OF THE COMPANY**

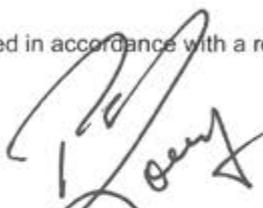
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**NON-AUDIT SERVICES**

Some non-audit services were provided by the Auditors during the year, being assistance in preparing accounts.

Signed in accordance with a resolution of the Board of Directors:



Peter Lowry  
CHAIR



David Ireland  
DEPUTY CHAIR

Dated the 21<sup>st</sup> day of October 2014

*Transport Heritage NSW Limited*

***Financial  
Statements***



# CASTLETONS

AUDITING SERVICES ABN 28 259 258 956

CHARTERED ACCOUNTANTS

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT  
2012 AND AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS REGULATION 2013  
TO THE DIRECTORS OF TRANSPORT HERITAGE NSW LIMITED**

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 or the Australian Charities and Not-for-profits Regulation 2013 in relation to the audit: and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit

**CASTLETONS AUDITING SERVICES**  
Chartered Accountants  
3 Carlingford Road, EPPING, NSW

**WAYNE H. PRICE**

Partner

Dated: 21 October 2014

**Transport Heritage NSW Limited  
Inaugural Annual Report**

15

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Independently represented in all Australian States and throughout the world

PARTNERS Anthony F Hackett CA, Wayne H Price CA

Liability limited by a scheme approved under Professional Standards Legislation



Chartered  
Accountants



# CASTLETONS

AUDITING SERVICES ABN 28 259 258 956

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TRANSPORT HERITAGE NSW LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Transport Heritage NSW Limited (the company), which comprises the balance sheet as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012 and Australian Charities and Not-for-profits Regulation 2013, which has been given to the directors of Transport Heritage NSW Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### **Audit Opinion**

In our opinion the financial report of Transport Heritage NSW Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Regulation 2013.

### **CASTLETONS AUDITING SERVICES**

Chartered Accountants

3 Carlingford Road, Epping, NSW

WAYNE H. PRICE  
Partner

Dated: 21 October 2014

### Transport Heritage NSW Limited Inaugural Annual Report

16

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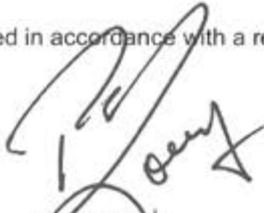
## DIRECTORS' DECLARATION

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In the opinion of the Board of Directors of Transport Heritage NSW Limited:

- a. The financial statements and notes of Transport Heritage NSW Limited are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - i. Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
  - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*, and
- b. There are reasonable grounds to believe that Transport Heritage NSW Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors:



Peter Lowy  
CHAIR



David Ireland  
DEPUTY CHAIR

Dated the 21<sup>st</sup> day of October 2014

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue	3	3,221,364	2,512,288
Other income	3	38,570	11,309
Changes in inventories of finished goods and work in progress		25,483	(35,890)
Raw materials and consumables used		(50,681)	(99,619)
Employee benefits expenses		(961,736)	(890,474)
Depreciation and amortisation expenses	4 / 12	(115,445)	(116,896)
Other expenses		(1,728,032)	(1,539,028)
<b>Surplus (deficit) before income tax expense</b>		<u>429,523</u>	<u>(158,310)</u>
Income tax expense	5	-	-
<b>Net surplus (deficit) for the year</b>		<u>429,523</u>	<u>(158,310)</u>
Other comprehensive income:		-	-
Other comprehensive income for the year		-	-
<b>Surplus (deficit) attributable to the members of the entity</b>		<u>429,523</u>	<u>(158,310)</u>
<b>Total comprehensive income attributable to the members of the entity</b>		<u>429,523</u>	<u>(158,310)</u>

*The accompanying notes form part of these Financial Statements*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalent	8	1,232,075	521,243
Trade and other receivables	9	1,451,593	65,704
Inventories	10	192,200	166,717
Other current assets	11	34,405	11,530
<b>Total Current Assets</b>		<u>2,910,273</u>	<u>765,194</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	660,217	662,674
<b>Total Non-current Assets</b>		<u>660,217</u>	<u>662,674</u>
<b>TOTAL ASSETS</b>		<u>3,570,490</u>	<u>1,427,868</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	811,724	778,941
Employee provisions	14	67,871	82,355
<b>Total Current Liabilities</b>		<u>879,595</u>	<u>861,296</u>
<b>NON-CURRENT LIABILITIES</b>			
Fund Deed TfNSW	15	1,690,700	-
Employee provisions	14	25,795	21,694
<b>Total Non-current Liabilities</b>		<u>1,716,495</u>	<u>21,694</u>
<b>TOTAL LIABILITIES</b>		<u>2,596,090</u>	<u>882,990</u>
<b>NET ASSETS</b>		<u>974,400</u>	<u>544,878</u>
<b>EQUITY</b>			
Reserves	16	388,947	358,843
Retained Surplus		585,453	186,035
<b>TOTAL EQUITY</b>		<u>974,400</u>	<u>544,878</u>

*The accompanying notes form part of these Financial Statements.*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Retained Surplus \$	Capital Works Reserve \$	Steam Future Fund \$	General Restoration Fund \$	Total \$
<b>Balance as at 30 June 2012</b>	423,839	10,339	36,435	232,575	703,188
Comprehensive Income					
Profit (loss) attributed to members	(158,310)				(158,310)
Other comprehensive Income	-				-
Transfer to and from reserves					
General restoration funds	(79,494)		1,199	78,295	-
Capital works reserve	-		-	-	-
<b>Balance as at 30 June 2013</b>	186,035	10,339	37,634	310,870	544,878
Comprehensive Income					
Profit (loss) attributed to members	399,419				399,419
Other comprehensive Income	-				-
Transfer to and from reserves					
General restoration funds	-		-	30,104	30,104
Capital works reserve	-		-	-	-
<b>Balance as at 30 June 2014</b>	585,484	10,339	37,634	340,974	974,400

**STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>Cash from operating activities</b>			
Commonwealth, state and local government grants		-	35,500
Receipts from customers, donations and members		1,819,476	2,600,543
Payments to suppliers and employees		(2,738,836)	(2,506,951)
Interest received		16,933	4,007
Interest paid		(2,088)	-
Net cash generated from (used in) operating activities	20	<u>(904,515)</u>	<u>133,099</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(79,899)	(36,418)
Proceeds from sale of property, plant and equipment		4,545	-
Net cash provided by (used in) investing activities		<u>(75,354)</u>	<u>(36,418)</u>
<b>Cash flows from financing activities</b>			
Proceeds from funding agreements		1,690,701	-
Net cash provided by (used in) financing activities		<u>1,690,701</u>	<u>-</u>
Net increase (decrease) in cash held		710,832	96,981
Cash at the beginning of the financial year		521,243	424,562
<b>Total cash as at 30 June 2014</b>	8	<u>1,232,075</u>	<u>521,243</u>

*The accompanying notes form part of these Financial Statements*

The financial report is for Transport Heritage NSW Limited as an individual entity, incorporated and domiciled in Australia. Transport Heritage NSW Limited is a company limited by guarantee.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Act 2012 and Australian Charities and Not-for-Profits Commission Regulation 2013. The company is a not-for-profit entity for financial reporting purpose under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 14 October 2014 by the directors of the company.

### Accounting Policies

#### (a) Property, Plant and Equipment

Property, plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Items of locomotives, rolling stock and other equipment that are the property of Railcorp or other Government entities and are in the custody of the Company are carried at no value. Restoration cost for these assets are capitalised and the restoration cost is amortised over the remaining custody period.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed assets</u>	<u>Depreciable Rate</u>
Plant, equipment, motor vehicles	5 – 20%
Leasehold improvements, other	4 – 15%
Assets under custody	Term of custody

#### (b) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include expenditure incurred in acquiring the inventory and bringing it to its existing condition and location.

Inventories acquired at no cost or for nominal consideration are measured per the prior year replacement cost as at 30 June 2013.

#### (c) Income Tax

By virtue of the objects set out in the Constitution, the Company qualifies as an organisation specifically exempted from ordinary income tax under Section 50-45 of the Income Tax Assessment Act 1997.

#### (d) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(e) Employee Benefits**

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to reporting date. Pro-rata entitlements to long service leave and annual leave are accrued at current pay rates. Long service leave is accrued for all employees who have completed five years service with the Company at reporting date.

Sick leave is not provided for as there is no entitlement to payment for accrued sick leave on termination. Historically, sick leave used within a given year has not exceeded the present entitlement for that year.

**(f) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(g) Impairment of Assets**

At each reporting date, the directors review the carrying values of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit & loss and other comprehensive income.

Where the future economic benefit of an asset is not primarily dependent upon the asset's ability to generate net cash inflow and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(h) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(j) Financial Instruments**

*Recognition and Measurement*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

*Trade receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Held-to-maturity investments*

These investments have fixed maturities, and it is the directors' intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

*Impairment*

At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of

the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(k) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Revenue

Revenue from the sale of goods and services is recognised upon delivery of goods and services to customers and members. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Subscriptions and entrance fees and donations are recognised as revenue when received. All revenue is stated net of the amount of goods and services tax (GST).

(m) Government Grants

Non-reciprocal grant is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefit gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The entity receives non-reciprocal contribution of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments — As disclosed in note 9, provision for impairment of receivables included in accounts as at 30 June 2014 is an amount of \$22,000 (2013 \$23,492) as general provision for impairment of receivables. The directors believe that the provision of impairment of receivables is adequate provision for any bad debts.

**2. GOING CONCERN BASIS OF ACCOUNTS**

The financial statements of the company have been prepared on a going concern basis. The directors believe that the company will be able to pay all its debts as and when they become due and payable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>3 REVENUE AND OTHER INCOME</b>		
<b>Revenue from Operating Activities</b>		
Subscriptions and entrance fees	95,341	120,638
Donations received:		
General Restoration Fund	30,104	68,516
Specific Projects	18,758	14,974
Sales of goods and services:		
Thirlmere Rail Heritage Centre	19,914	12,488
Thirlmere Heritage Railway	189,443	226,215
Heritage Express operations	1,763,882	1,385,412
Retail sales	78,573	76,128
Contract projects and miscellaneous	40,402	40,927
Interest received	16,933	4,007
Blue Mountains Group	46,196	35,603
Illawarra Group	1,129	1,261
	<u>2,300,675</u>	<u>1,986,169</u>
<b>Revenue from Non-Operating Activities</b>		
Government grant	-	5,500
Government grant – Blue Mountains Group	-	30,000
Reimbursements	920,689	490,619
	<u>920,689</u>	<u>526,119</u>
<b>Total Revenue</b>	<u>3,221,364</u>	<u>2,512,288</u>
<b>Other Income</b>		
Net gain on disposal of non-current assets – Property, plant & equipment	4,545	-
Gifted assets	33,091	-
	<u>37,636</u>	<u>-</u>
Bad and doubtful debts – recovered	-	-
	<u>-</u>	<u>-</u>
Insurance Claims	783	4,427
Miscellaneous Income	151	6,882
	<u>934</u>	<u>11,309</u>
	<u>38,570</u>	<u>11,309</u>
<b>4 EXPENSES</b>		
Cost of sales:		
Thirlmere Heritage Railway	90,465	138,775
Heritage Express operations	602,917	600,298
Retail sales	53,668	74,861
Contract projects and miscellaneous	175,341	99,706
	<u>922,391</u>	<u>913,640</u>
Depreciation of non-current assets:		
Property, plant & equipment	106,205	105,750
Amortisation of non-current assets:		
Other leasehold improvements	9,240	11,146
	<u>115,445</u>	<u>116,896</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>4 EXPENSES (continued)</b>		
Rental expenses on operating leases	<u>5,880</u>	<u>1,812</u>
	<u>5,880</u>	<u>1,812</u>
Bad and doubtful debts:		
Trade receivables	-	15,908
Employee benefit expenses - Superannuation	<u>68,706</u>	<u>55,433</u>
	<u>68,706</u>	<u>71,341</u>
Net loss on disposal of non-current assets – Property, plant & equipment	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>5 INCOME TAX EXPENSE</b>		
The Company is exempt from the payment of Income Tax.		
<b>6 AUDITORS' REMUNERATION</b>		
Remuneration of the auditor for:		
- auditing or reviewing the accounts	<u>22,500</u>	13,600
- other audit related services	<u>7,990</u>	4,754
	<u>30,490</u>	<u>18,354</u>
<b>7 DIVIDENDS</b>		
Clause 38.3 of the Constitution of Transport Heritage NSW Limited specifically prohibits the payment of dividends by the Company.		
<b>8 CASH AND CASH EQUIVALENT</b>		
Cash on hand	8,210	3,477
Cash at bank	700,684	59,895
Secured deposit	<u>523,181</u>	<u>457,871</u>
Total cash and cash equivalent in the balance sheet	<u>1,232,075</u>	<u>521,243</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>1,232,075</u>	<u>521,243</u>
<b>9 TRADE AND OTHER RECEIVABLES</b>		
Current		
Trade receivables	94,026	54,066
Less: provision for impairment of receivables	<u>(22,000)</u>	<u>(23,492)</u>
	<u>72,026</u>	<u>30,574</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>9 TRADE AND OTHER RECEIVABLES (continued)</b>		
Other receivables	<u>1,379,567</u>	<u>35,130</u>
	<u>1,451,593</u>	<u>65,704</u>

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivable is as follows:

	\$
Provision for Impairment as at 30 June 2012	8,571
- charge for the year	15,908
- Written off	(987)
Provision for Impairment as at 30 June 2013	<u>23,492</u>
- charge for the year	(1,492)
- Written off	-
Provision for Impairment as at 30 June 2014	<u>22,000</u>

(ii) Credit Risk – Trade and other receivables

The Company does not have any material credit risk exposure to any single receivable or group of receivables. The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impairment \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61 - 90 \$	>90 \$	
<b>2014</b>							
Trade and term receivables	94,026	(15,429)	51,240	29,606	1,650	11,530	51,240
Other receivables	1,379,567	(6,571)	1,355,279	-	-	24,288	1,355,279
<b>Total</b>	<u>1,473,593</u>	<u>(22,000)</u>	<u>1,406,519</u>	<u>29,606</u>	<u>1,650</u>	<u>35,818</u>	<u>1,406,519</u>

**9 TRADE AND OTHER RECEIVABLES (continued)**

<b>2013</b>							
Trade and term receivables	54,066	16,921	27,555	3,748	5,554	288	27,555
Other receivables	35,130	6,571	3,132	-	-	25,427	3,132
<b>Total</b>	<b>89,196</b>	<b>23,492</b>	<b>30,687</b>	<b>3,748</b>	<b>5,554</b>	<b>25,715</b>	<b>30,687</b>

The Company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances with trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>10 INVENTORIES</b>		
Stock on hand:		
At cost	<b>127,832</b>	99,130
At net realisable value	-	614
Locomotive spare parts - at cost	<b>64,368</b>	66,973
	<b>192,200</b>	<b>166,717</b>

Stock items measured at the current replacement cost are valued at the same cost per the prior year. Further, Transport Heritage NSW Limited purchased the remaining stock of Trainworks Limited at cost at 30 June 2014.

**11 OTHER CURRENT ASSETS**

Prepayments	<b>34,405</b>	11,530
	<b>34,405</b>	11,530

**12 PROPERTY, PLANT AND EQUIPMENT**

(a) Plant, equipment and motor vehicles		
At cost	<b>1,030,535</b>	943,796
Less accumulated depreciation	<b>(555,193)</b>	(463,190)
	<b>475,342</b>	480,606
(b) Other leasehold improvements		
At cost	<b>282,445</b>	282,445
Less accumulated amortisation	<b>(193,973)</b>	(184,733)
	<b>88,472</b>	97,712
(c) Museum exhibits at cost	<b>63,584</b>	63,584
(d) Improvements under construction	<b>32,819</b>	20,772
	<b>660,217</b>	662,674

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant, Equipment & Vehicles	Leasehold Improvements	Museum Exhibits	Assets Under Construction	TOTAL
<b>2013</b>					
Balance at 1 July	570,709	108,859	63,584	-	743,152
Additions at cost	15,646	-	-	20,772	36,418
Disposals					
Depreciation expense	(105,749)	(11,147)	-	-	(116,896)
Depreciation written back	-	-	-	-	-
Carrying amount as at 30 June	480,606	97,712	63,584	20,772	662,674
<b>2014</b>					
Additions at cost	100,942	-	-	12,048	112,990
Disposals	(14,205)	-	-	-	(14,205)
Depreciation expense	(106,205)	(9,240)	-	-	(115,445)
Depreciation written back	14,203	-	-	-	14,203
Carrying amount as at 30 June	475,342	88,472	63,584	32,820	660,217

	2014 \$	2013 \$
<b>13 TRADE AND OTHER PAYABLES</b>		
Current		
Trade creditors and accruals	201,670	335,957
Tour deposits in advance	229,429	112,766
Other	219,272	168,865
Rail Corp – (major repairs to rolling stock under the Custody Management Agreement)	161,353	161,353
	<u>811,724</u>	<u>778,941</u>
a. Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	811,724	778,941
- Total non-current	-	-
	<u>811,724</u>	<u>778,941</u>
Less deferred income	(229,429)	(112,766)
Financial liability as trade and other payable	<u>582,295</u>	<u>666,175</u>

The average credit period on accounts payable and other payables (excluding GST payable) is two months. No interest is payable on outstanding balances.

	2014 \$	2013 \$
<b>14 EMPLOYEE PROVISIONS</b>		
(i) Analysis of Provisions		
Current		
Annual leave	67,871	82,355
	<u>67,871</u>	<u>82,355</u>
Non-current		
Long service leave	25,795	21,694
	<u>25,795</u>	<u>21,694</u>
	<u>93,666</u>	<u>104,049</u>

(ii) Provisions for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. The measurement of and recognition criteria for employee benefits have been included in Note 1(e) to this report.

	Employee Provisions \$
<b>Balance as at 1 July 2012</b>	85,349
Additional provisions	62,526
Amount used	(43,826)
Unused amounts reversed	-
<b>Balance as at 1 July 2013</b>	<u>104,049</u>
Additional provisions	35,981
Amount used	(46,364)
Unused amounts reversed	-
<b>Balance as at 30 June 2014</b>	<u>93,666</u>

**15 FUNDING DEED TfNSW**

The following amounts were received and applied in accordance with the Transport for NSW (TfNSW) Funding Deed during the year ended 30 June 2014.

	Funding Amount \$
Opening Funding Amount as at 1 July 2013	-
Funding Amount Received	2,283,260
Funding Amount Expensed	(592,560)
Funding Amount Remaining as at 30 June 2014	<u>1,690,700</u>

**16 RESERVES**

Other components of equity include the following:

- (a) Capital Works Reserve - Comprises net profit from prior years allocated to future capital works.
- (b) Steam Future Fund - Comprises net profit from donations reserved for future steam locomotive restoration.
- (c) General Restoration Fund - Comprises profit from donations to unspecified restorations of heritage assets.

	2014 \$	2013 \$
<b>17 CAPITAL AND LEASING COMMITMENTS</b>		
(a) Operating Lease Commitments		
Non-cancellable operating lease contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	5,880	1,812
- between 12 months and 5 years	8,931	3,624
- greater than 5 years	-	-
	<u>14,811</u>	<u>5,436</u>

**18 RELATED PARTY TRANSACTIONS**

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation		
- short term benefits	292,720	114,115
- post-employment benefits	-	-
- other long term benefits	-	-
	<u>292,720</u>	<u>114,115</u>

	2014	2013
	\$	\$

**18 RELATED PARTY TRANSACTIONS (continued)**

(b) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with close family members.

Company controlled by a director and his wife

- short term benefits	-	-
- post-employment benefits	-	-
- purchase of client support services	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

(c) Transactions with Trainworks Limited (Trainworks)

The Chief Executive Officer of Transport Heritage NSW Limited, Andrew Killingsworth, was also appointed by Secondment Deed as Interim Chief Executive Officer of Trainworks effective 9 April 2014 by Railcorp, with the mandate to lead Trainworks until its anticipated voluntary deregistration in late 2014. During the year Transport Heritage NSW Limited had various longstanding fixed profit sharing arrangements in place pertaining to heritage rail operations conducted at the *Trainworks* site as part of its routine operations, as well as other rail heritage operations including the Thirlmere Festival of Steam and Day Out With Thomas events.

(d) Payments to the Chair

During the year the following payment was made by TfNSW to the Chair, Peter Lowry for his services in leading the Board of Directors during the year ended 30 June 2014.

Payment

- for services as Chair	<u>18,507</u>
	<u>18,507</u>

**19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

(a) Contingent liabilities

There were no contingent liabilities at reporting date.

(b) Contingent assets

There were no contingent assets at reporting date.

	2014	2013
	\$	\$
<b>20 CASH FLOWS INFORMATION</b>		
Reconciliation of Cash Flows from operations with Profit		
Profit after income tax	429,523	(158,310)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Amortisation	9,240	11,146
- Depreciation	106,205	105,750
- Net(gains) loss on disposal of property, plant & equipment	(37,636)	-
Changes in assets and liabilities:		
- (increase) decrease in trade and term debts	(1,385,889)	116,451
- (increase) decrease in prepayments	(22,876)	66,935
- (increase) decrease in inventories	(25,483)	35,890
- Increase (decrease) in trade payables and accruals	32,784	(63,465)
- Increase (decrease) in provisions	(10,383)	18,700
	<u>(904,515)</u>	<u>133,099</u>

## 21 ECONOMIC DEPENDENCY

Railway operation which includes tours and charters is a significant part of the Company's operation. Tours and charters operations are dependent on effective restoration, maintenance and operation of the fleet, including track access and safety accreditation.

## 22 EVENTS SUBSEQUENT TO REPORTING DATE

The previous operations of Trainworks Limited, Railcorp's Office of Rail Heritage and the NSW Rail Transport Museum are consolidated into a single not-for-profit company, Transport Heritage NSW Limited. With the implementation of this process that took place during the year, Trainworks Limited ceased trading effective 30 June 2014, with operations of the *Trainworks* site at Thirlmere being handed over to Transport Heritage NSW from 1 July 2014.

In accordance with the directives provided by TfNSW, Trainworks Limited gifted assets to Transport Heritage NSW Limited with a total value of \$33,091 at 30 June 2014.

Staff members of Trainworks Limited who were successful in attaining employment with Transport Heritage NSW Limited after 30 June 2014 were given the option of transitioning their accrued leave balances to Transport Heritage NSW Limited, rather than having their leave balances paid out. Where the option was exercised, the appropriate leave balances have been recognised in the Transport Heritage NSW Limited accounts after 30 June 2014.

No events have occurred subsequent to the reporting date that require adjustment to the financial statements or disclosure in the financial report.

**23 3801 LIMITED**

3801 Limited was incorporated on 5 June 1985 as a non-profit company limited by guarantee. Transport Heritage NSW Limited (formerly NSWRTM) and the Australian Railway Historical Society (New South Wales Division) are the two Management Members of 3801 Limited. The Company is not represented on the Committee of 3801 Limited, but remains a Management Member. The liability of the Company (THNSW) is limited to two hundred and fifty dollars (\$250.00).

**24 MEMBERS' GUARANTEE**

The Transport Heritage NSW Limited is incorporated under the Australian Securities and Investment Commission as a company limited by guarantee.

If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of twenty dollars (\$20.00) towards meeting any outstanding obligations of the Company. At 30 June 2014 the number of members was 2,170 (2013: 2,121).



# CASTLETONS

AUDITING SERVICES ABN 28 259 258 956

CHARTERED ACCOUNTANTS

## COMPILATION REPORT

### To the Members of the Transport Heritage NSW Limited

We have compiled the accompanying special purpose financial report of Transport Heritage NSW Limited, which comprises the detailed income and expenditure statement for the year ended 30 June 2014. This report has been prepared in accordance with the *financial reporting framework* described in Note 1 to the financial statements.

### *The Responsibility of Directors*

The Directors of Transport Heritage NSW Limited are solely responsible for the information contained in the special purpose financial report and have determined that the *financial reporting framework* used is appropriate to meet their needs and for the purpose that the financial report was prepared.

### *Our Responsibility*

On the basis of the information provided by directors we have compiled the accompanying special purpose financial report in accordance with the *financial reporting framework* and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. However, the detailed Income and Expenditure Statements are in accordance with the Company's accounting records, which have been tested by us as a part of the auditing procedures followed in our examination of the statutory financial report of the Company for the year ended 30 June 2014.

The special purpose financial report was compiled exclusively for the benefit of directors. We do not accept responsibility to any other person for the contents of the special purpose financial report.

### CASTLETONS AUDITING SERVICES

Chartered Accountants

3 Carlingford Road, Epping NSW

WAYNE H. PRICE  
Partner

Dated: 21 October 2014

### Transport Heritage NSW Limited Inaugural Annual Report

34



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Independently represented in all Australian States and throughout the world

PARTNERS Anthony F Hackett CA, Wayne H Price CA

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Chartered  
Accountants

**STATEMENT OF DETAILED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

The financial results represent trading results for the year ended 30 June 2014.

For convenience, we have grouped business functions together where a common financial relationship exists.

The groups are:

Group 1: Administration and Membership  
Group 2: Thirlmere Rail Heritage Centre and Retail sales  
Group 3: Main Line Operations and Thirlmere Heritage Railway  
Blue Mountains Group  
Illawarra Group  
Contracts

Donations and grants are shown separately.

<b>Summary</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Group 1		
Administration	(571,866)	(376,975)
Membership	52,467	69,053
	<u>(519,399)</u>	<u>(307,922)</u>
Group 2		
Thirlmere Rail Heritage Centre	(70,551)	(66,618)
Retail sales	24,905	1,268
	<u>(45,646)</u>	<u>(65,350)</u>
Group 3		
Railway Operations Consolidated	146,438	(261,453)
	<u>146,438</u>	<u>(261,453)</u>
Blue Mountains Group (Valley Heights Locomotive Depot)		
	1,642	31,690
	<u>1,642</u>	<u>31,690</u>
Illawarra Group		
	524	(107)
	<u>524</u>	<u>(107)</u>
Contracts		
	(134,940)	(58,780)
	<u>(134,940)</u>	<u>(58,780)</u>
Donations		
Donations & grants – received	48,862	83,490
Donations – spent on restoration projects	(26,284)	(70,497)
Reimbursements	920,690	490,619
Gifted assets and profit on sold assets	37,636	-
	<u>980,904</u>	<u>503,612</u>
Operating Surplus / (deficiency)	<u>429,523</u>	<u>(158,310)</u>
<b>Reconciled to Statement of profit or loss and other comprehensive income</b>	<u>429,523</u>	<u>(158,310)</u>

*These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on page 34*

**STATEMENT OF DETAILED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<u>Administration</u>		
Income:		
Insurance claims	783	4,427
Interest received	16,933	4,007
Miscellaneous income	150	6,882
Bad debts recovered	-	-
Grant – Australian Government GVEO program	-	5,500
	<b>17,866</b>	<b>20,816</b>
Expenditure:		
Salaries and on-costs	290,175	296,416
Audit fees	30,490	18,354
Bad Debts Written Off	-	15,908
Financial advisory	56,557	-
Bank / Credit Card charges	3,442	3,660
Depreciation	-	36,786
General expenses	2,004	2,722
Stationery/Postage	2,390	1,191
IT Hardware/Software/consumables	8,297	8,534
Subscriptions/Memberships	1,822	155
Legal Expenses	84,145	1,810
Office Rent	55,474	-
Motor Vehicle	2,136	6,229
Telephone	8,512	2,267
Insurance	7,067	(4,856)
Marketing/Promotion	40,282	1,821
Services/Amenities	(5,149)	6,794
Interests	2,088	-
	<b>589,732</b>	<b>397,791</b>
Surplus / (deficiency)	<b>(571,866)</b>	<b>(376,975)</b>
<u>Membership</u>		
Income:		
Subscriptions and entrance fees	95,341	120,638
Expenditure:		
Activities & Events	1,502	10,976
General Expenses	1,093	6,707
Postage	5,984	5,127
Roundhouse & Newsletter	34,200	28,072
Sundry Expenses	95	703
	<b>42,874</b>	<b>51,585</b>
Surplus	<b>52,467</b>	<b>69,053</b>

*These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 34*

**STATEMENT OF DETAILED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<u>Thirlmere Museum</u>		
Income:		
Events	14,725	629
Miscellaneous income	5,189	11,859
	19,914	12,488
Expenditure		
Depreciation and amortisation	-	461
General Expenses	-	18
Stationery/Postage	215	337
IT Hardware/Software/consumables	1,812	1,812
Insurance	5,021	7,707
Salaries and related on-costs	378	2,462
Services/Amenities	82,934	62,984
Telephone	105	3,325
	90,465	79,106
Surplus / (deficiency)	(70,551)	(66,618)
 <u>Retail sales</u>		
Income:		
(over counter sales, wholesale, mail orders, exhibitions, refreshments)	78,573	76,129
Expenditure:		
Cost of goods sold	50,680	70,655
Postage	2,000	2,932
General expenses	34	129
Insurance	954	1,145
	53,668	74,861
Surplus / (Deficit)	24,905	1,268
 <u>Blue Mountains Group</u>		
Income:		
Museum entrance income	32,036	35,981
Retail sales	10,220	8,735
Miscellaneous Income	2,071	(10,363)
Members Subs	1,869	1,250
Grant Received	-	30,000
	46,196	65,603
Expenditure:		
Administration	1,282	4,588
General expenses	25,701	6,915
Insurance	318	7,177
Repairs to Roundhouse/turntable	5,676	4,258
Repairs to equipment	6,033	5,038
Services/Amenities	6,150	5,937
	44,554	33,913
Surplus / (Deficiency)	1,642	31,690

*These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 34*

**STATEMENT OF DETAILED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b><u>Railway Operations Consolidated</u></b>		
<b>Income:</b>		
Tours and charters (including Thirlmere Flyer)	1,551,561	1,338,661
Maintenance Depot		
Contract projects (including rolling stock hire)	212,321	46,751
Miscellaneous Income (diesel fuel rebate)	49,045	41,605
Train Rides (Thirlmere Heritage Railway + Thomas Days)	189,443	226,215
Infrastructure		-
	<u>2,002,370</u>	<u>1,653,232</u>
<b>Expenditure:</b>		
Tours and charters – direct costs	602,917	600,298
Train Rides – direct costs (including Thomas Days)	8,683	16,288
<i>Administration</i>		
General Expenses	69,118	15,676
Salaries and on-costs	205,687	175,615
<i>General Operations</i>		
Coal purchases	53,552	77,587
Diesel Fuel	222,031	174,700
Insurance	21,578	27,484
Depreciation and Amortisation	115,445	80,110
<i>Maintenance Depot</i>		
Salaries and on-costs	382,816	355,876
Maintenance locomotive fleet	28,846	46,627
Maintenance rolling stock fleet	54,949	263,614
Maintenance supplies	52,679	34,928
General expenses	7,869	12,580
Services/Amenities	1,058	1,178
Overhead reallocation	-	-
<i>Infrastructure</i>		
General Expenses	6,704	9,562
Thirlmere Railway Station	1,623	436
Perway	20,377	22,040
Signal Box	-	86
	<u>1,855,932</u>	<u>1,914,685</u>
Surplus / (Deficit)	<u>146,438</u>	<u>(261,453)</u>

*These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 34*

**STATEMENT OF DETAILED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<u>Illawarra Group</u>		
Income		
Retail sales	569	692
Miscellaneous / Tours	551	535
Interest	9	35
Grant	-	-
	<u>1,129</u>	<u>1,262</u>
Expenditure		
General expenses	605	1,369
	<u>605</u>	<u>1,369</u>
Surplus	<u>524</u>	<u>(107)</u>
 <u>Contracts</u>		
Income	40,401	40,927
Expenditure (materials / labour)	<u>(175,341)</u>	<u>(99,706)</u>
Surplus	<u>(134,940)</u>	<u>(58,780)</u>

*These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 34*



# CASTLETONS

AUDITING SERVICES ABN 28 259 258 956

CHARTERED ACCOUNTANTS

## COMPILATION REPORT

### To the Members of the Transport Heritage NSW Limited

We have compiled the accompanying special purpose financial report of Transport Heritage NSW Limited, which comprises the detailed income and expenditure statement for the period from 1 July 2013 to 31 December 2013 and the balance sheet at 31 December 2013. This report has been prepared in accordance with the *financial reporting framework* described in Note 1 to the financial statements, and for the purpose of indicating to the shareholders the financial position of the company at the date of the substantial restructure of the company's operations and its role in the NSW Transport Heritage System.

### The Responsibility of Directors

The Directors of Transport Heritage NSW Limited are solely responsible for the information contained in the special purpose financial report and have determined that the *financial reporting framework* used is appropriate to meet their needs and for the purpose that the financial report was prepared.

### Our Responsibility

On the basis of the information provided by directors we have compiled the accompanying special purpose financial report in accordance with the *financial reporting framework* and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. However, the detailed Income and Expenditure Statements for the period from 1 July 2013 to 31 December 2013 and the Balance Sheet at 31 December 2013 are in accordance with the Company's accounting records, which have been tested by us as a part of the auditing procedures followed in our examination of the statutory financial report of the Company for the year ended 30 June 2014..

The special purpose financial report was compiled exclusively for the benefit of directors. We do not accept responsibility to any other person for the contents of the special purpose financial report.

### CASTLETONS AUDITING SERVICES

Chartered Accountants

3 Carlingford Road, Epping NSW

WAYNE H. PRICE  
Partner

Dated: 21 October 2014

Transport Heritage NSW Limited  
Inaugural Annual Report  
40

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Independently represented in all Australian States and throughout the world

PARTNERS Anthony F Hackett CA, Wayne H Price CA

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Chartered  
Accountants

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JULY - 31 DECEMBER 2013**

	31 Dec 2013 \$
Revenue	1,463,146
Other income	933
Changes in inventories of finished goods and work in progress	-
Raw materials and consumables used	(1,059)
Employee benefits expenses	(408,342)
Depreciation and amortisation expenses	(11,328)
Other expenses	(832,223)
<b>Surplus (deficit) before income tax expense</b>	<u>211,127</u>
Income tax expense	-
<b>Net surplus (deficit) for the year</b>	<u>211,127</u>
Other comprehensive income:	-
Other comprehensive income for the year	-
<b>Surplus (deficit) attributable to the members of the entity</b>	<u>211,127</u>
<b>Total comprehensive income attributable to the members of the entity</b>	<u>211,127</u>

*The Statement of Profit or Loss and Other Comprehensive Income for the period 1 July – 31 December 2013 is not audited.*

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	31 Dec 2013 \$
<b>CURRENT ASSETS</b>	
Cash and cash equivalent	437,251
Trade and other receivables	50,498
Inventories	166,717
Other current assets	51,359
<b>Total Current Assets</b>	<b>705,825</b>
<b>NON-CURRENT ASSETS</b>	
Property, plant and equipment	678,894
<b>Total Non-current Assets</b>	<b>678,894</b>
<b>TOTAL ASSETS</b>	<b>1,384,719</b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	542,724
Employee provisions	65,199
<b>Total Current Liabilities</b>	<b>607,923</b>
<b>NON-CURRENT LIABILITIES</b>	
Fund Deed TfNSW	-
Employee provisions	21,694
<b>Total Non-current Liabilities</b>	<b>21,694</b>
<b>TOTAL LIABILITIES</b>	<b>629,617</b>
<b>NET ASSETS</b>	<b>755,101</b>
<b>EQUITY</b>	
Reserves	358,843
Retained Surplus	396,258
<b>TOTAL EQUITY</b>	<b>755,101</b>

*The Statement of Statement of Financial Position as at 31 December 2013 is not audited.*

## ***Life members as at 30 June 2014:***

<i>Graham Ahern</i>	<i>Allan Leaver</i>
<i>Frederick Bowers</i>	<i>Leonard Loker</i>
<i>Richard Butcher</i>	<i>Edward (Tony) LeBreton</i>
<i>Brian Coker</i>	<i>Ray Love OAM</i>
<i>Christine Cuttle</i>	<i>Fred McTackett</i>
<i>Ian (Jak) Cuttle</i>	<i>Ian (Jim) Martin</i>
<i>Ted Dickson</i>	<i>Barry McMahon</i>
<i>Ian Dale</i>	<i>Ted Mullett</i>
<i>Donald Estell</i>	<i>Edward Oliver</i>
<i>Tony Eyre</i>	<i>Robert Price</i>
<i>Neil Finey</i>	<i>Philip Robinson</i>
<i>Jeffrey Forrester</i>	<i>Arthur Tubby</i>
<i>John M Harwood</i>	<i>David Thurlon</i>
<i>Malcolm Johnson</i>	<i>Gilbert Wheaton</i>
<i>David Kennedy</i>	<i>Stephen Williams</i>
<i>Andrew Killingsworth</i>	<i>Les Wilson</i>
	<i>Brian Woolley</i>

## ***Photo credits:***

Transport Heritage NSW would like to thank the following people for contributing images to this Annual Report.

- Ralph Cook
- Mark Dalli
- Jennifer Edmonds
- Henry Owen
- Colin McDonald
- Trent Nicholson
- Andrew Tester

The logo for Transport Heritage NSW is positioned in the bottom right corner of the page. It features the words "Transport" and "Heritage" stacked vertically in a white, bold, sans-serif font. To the right of "Heritage" is the acronym "NSW" in a larger, bold, sans-serif font, colored in a vibrant red. The entire logo is set against a background of overlapping red and orange curved shapes that sweep across the bottom of the page.

**Transport  
HeritageNSW**

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