

**TRANSPORT
HERITAGE**
— NSW —

FINANCIAL STATEMENTS

2024–25

Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Transport Heritage NSW Limited for the year ended 30 June 2025.


HLB MANN JUDD

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

V M Abboud
Director

Sydney, NSW
7 October 2025

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TRANSPORT HERITAGE NSW LIMITED

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2025

As stated in Note 1 to the financial statements, in the directors' opinion the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Australian Charities and Not-for-profits Commission Act 2012* requirements.

In the opinion of the directors of Transport Heritage NSW Limited:

- (a) there are reasonable grounds to believe that Transport Heritage NSW Limited is able to pay all of its debts, as and when they become due and payable; and
- (a) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.



The Hon Nathan Rees
Chair

07 October 2025

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

Transport Heritage NSW Limited (ABN 25 000 570 463)	Note	2025 \$'000's	2024 \$'000's
Revenue including Government Funding Stream 1 recognised		10,420	10,153
Government Funding Streams 2 and 3, and other Funding recognised		6,381	4,428
Changes in inventories		(4)	13
Raw materials and consumables used - coal and diesel		(182)	(272)
Depreciation and amortisation expenses		(175)	(150)
Advertising and promotion expenses		(264)	(215)
Employee benefits expenses		(4,731)	(4,338)
Service provision expenses		(4,755)	(4,956)
Administration expenses		(665)	(508)
Government Funding Streams 2 and 3, and other Funding expensed		(6,381)	(4,428)
Deficit before Bequests income and income tax		(357)	(275)
Bequests income		1,085	-
Surplus / (Deficit) before income tax	2	729	(275)
Income tax expense		-	-
Surplus / (Deficit) after income tax expense		729	(275)
Other comprehensive income for the year, net of tax		1,626	-
Total comprehensive income / (loss) for the year		2,355	(275)

The above Statement of Surplus or Deficit and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

Transport Heritage NSW Limited (ABN 25 000 570 463)	Note	2025 \$'000's	2024 \$'000's
ASSETS			
Current Assets			
Cash and cash equivalents	3	13,854	7,728
Trade and other receivables	4	3,937	154
Inventories on hand	5	340	336
Other current assets	6	298	376
Financial assets	7	3,500	8,664
Total Current Assets		21,929	17,258
Non-Current Assets			
Property, plant and equipment	8	10,814	9,001
Right-of-use assets	9	-	9
Total Non-Current Assets		10,814	9,011
TOTAL ASSETS		32,743	26,269
LIABILITIES			
Current Liabilities			
Trade and other payables	10	1,686	772
Employee provisions	12	513	387
Funding Deeds	13	16,883	13,718
Total Current Liabilities		19,082	14,877
Non-Current Liabilities			
Lease Liabilities	11	-	10
Employee provisions	12	155	231
Total Non-Current Liabilities		155	240
TOTAL LIABILITIES		19,237	15,117
NET ASSETS		13,506	11,151
EQUITY			
Retained Surplus		499	638
Asset Revaluation Reserve	14	9,973	8,347
Business Reserve Fund		252	321
General Restoration Fund	15	796	729
Bequests Fund	16	1,986	1,115
TOTAL EQUITY		13,506	11,151

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Retained Surplus \$'000's	Asset Revaluation Reserve \$'000's	Business Reserve Fund \$'000's	General Restoration Fund \$'000's	Bequests Fund \$'000's	Glasgow Bequest Fund \$'000's	JDR Bequest Fund \$'000's	Total \$'000's
BALANCE AT 01 JULY 2023	913	8,392	321	729	-	615	324	11,295
Surplus for the year	(275)	-	-	-	-	-	-	(275)
Other comprehensive income for the year	-	(45)	-	-	-	-	-	(45)
Transfers to/from reserves	-	-	-	-	1,115	(615)	(324)	176
BALANCE AT 30 JUNE 2024	638	8,347	321	729	1,115	-	-	11,151
Surplus for the year	729	-	-	-	-	-	-	729
Other comprehensive income for the year	-	1,626	-	-	-	-	-	1,626
Transfers to/from reserves	(868)	-	(69)	66	871	-	-	-
BALANCE AT 30 JUNE 2025	499	9,973	252	796	1,986	-	-	13,506

ASSET REVALUATION RESERVE

The Asset Revaluation Reserve was established in the year ended 30 June 2021 as explained at Note 1c and Note 14.

During the year a periodic comprehensive revaluation of the rolling stock in the Museum Collection owned by the Company was undertaken by AON Valuation Services resulting in a movement (increase) of \$1,626k.

BUSINESS RESERVE FUND

During FY 2024/25 THNSW undertook a THNSW Culture Project as part of the development of its new Strategic Plan. The THNSW Board approved funding of this work from the Business Reserve Fund.

GENERAL RESTORATION FUND

During FY 2024/25 THNSW was a beneficiary of the estate of the late Graham Houston Matheson receiving a donation of

\$245k to be put to the General Restoration Fund.

Two projects were approved requiring funding from the General Restoration Fund and commenced during the year – the restoration of Bronzewing steam locomotive with \$9k expended in the current year and the reconstruction of the CPH13 railmotor with \$174k expended in the current year. Interest accrued during the year totalled \$5k. This resulted in a net contribution of \$66k to the General Restoration Fund.

BEQUESTS FUND

THNSW adopted an updated THNSW Investment & Interest Policy during the previous financial year and in accordance with this policy amalgamated the previously held non-conditional bequest monies into a single consolidated "Bequests Fund" until spent for approved purposes as explained at Note 16.

During FY 2024/25 THNSW was a beneficiary of the estate of the

late PJ Mackenzie, receiving a bequest of \$833k. Interest accrued during the year totalled \$84k and the THNSW Board approved the use of \$46k. This resulted in a net contribution of \$871k to the consolidated Bequests Fund.

GLASGOW BEQUEST FUND

THNSW adopted an updated THNSW Investment & Interest Policy during the previous financial year and in accordance with this policy amalgamated the previously held non-conditional Glasgow Bequest Fund into a single consolidated "Bequests Fund" until spent for approved purposes.

JDR BEQUEST FUND

THNSW adopted an updated THNSW Investment & Interest Policy during the previous financial year and in accordance with this policy amalgamated the previously held non-conditional JDR Bequest Fund into a single consolidated "Bequests Fund" until spent for approved purposes.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	2025 \$'000's	2024 \$'000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations (including Government Funding Stream 1)		10,378	9,989
Receipts from donations, bequests		1,129	61
Receipts from Government Funding Streams 2 and 3 and Special Purpose Funds		15,224	7,766
Expenses from Government Funding Streams 2 and 3 and Special Purpose Funds		(12,554)	(10,125)
Payments to suppliers and employees		(13,457)	(10,654)
Interest received		594	581
Interest paid		-	-
Net cash generated (used in) operating activities	21	1,315	(2,382)
CASH FLOWS INVESTING ACTIVITIES			
Payments for property, plant and equipment		(351)	(320)
Proceeds from sale of property, plant and equipment		8	45
Proceeds from (payments for) term deposits		5,164	(8,664)
Net cash (used in)/generated from investing activities		4,820	(8,939)
CASH FLOWS FINANCING ACTIVITIES			
Leasing costs		(10)	(19)
Interest received - Bequests		-	61
Net cash provided by (used in) financing activities		(10)	42
Net increase (decrease) in cash held		6,126	(11,279)
Cash on hand at the beginning of the financial year		7,728	19,008
Cash on hand at the end of the financial year	3	13,854	7,728

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

FINANCIAL REPORTING FRAMEWORK

These financial statements cover Transport Heritage NSW Limited (Non-Reporting) as an individual Company, incorporated and domiciled in Australia. Transport Heritage NSW Limited (the "Company" or "THNSW") is a company limited by guarantee and is a not-for-profit, registered charity.

These financial statements were authorised for issue on 7 October 2025 by the Directors of the Company.

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Directors have prepared these financial statements on the basis that the Company is a non-reporting entity as there are no users dependent on general purpose financial statements. Accordingly, these financial statements are special purpose financial statements prepared to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. For financial reporting purposes under the Australian Accounting Standards, the Company is classified as a not-for-profit entity.

Except for cash flow information, these financial statements have been prepared on an accrual basis and are based on historical cost, unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are outlined below and have been applied consistently, unless otherwise indicated. All amounts presented in the financial statements have been rounded to the nearest thousand dollars.

The company has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards, except

those specifically described below, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 124 Related Party Disclosures, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures.

The Company has elected not to comply with the recognition and measurement requirements of AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers. The Company has not assessed all funding deeds for compliance with the recognition and measurement requirements of these standards. Refer to Accounting Policy on Revenue Recognition below for accounting treatment.

Accounting Policies a. Revenue Recognition

Non-reciprocal funding deeds revenue is recognised in profit or loss when the Company obtains control of the funding and it is probable that the economic benefits gained from the funding will flow to the Company and the amount of the funding can be measured reliably.

If conditions are attached to the funding which must be satisfied before the Company is eligible to receive the contribution, the recognition of the funding as revenue will be deferred until those conditions are satisfied. This also means that the Company is allowed to carry non-reciprocal funding over for use in subsequent years.

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

Transport Heritage NSW Limited receives non-reciprocal contributions of assets from the NSW Government and other

parties for zero or a nominal value. These assets are recognised at fair value, where possible, on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Non-conditional donations and bequests are recognised as revenue upon receipt, in accordance with THNSW's revised Investment & Interest Policy and Revenue Recognition Policy. These policies are subject to periodic review by the organisation. Conditional donations and bequests are recognised as revenue when the funds are expended for the stipulated purpose or when the specific terms and conditions attached to the donation or bequest have been satisfied.

Interest revenue is recognised as it accrues, using the effective interest method. For floating rate financial assets, this corresponds to the rate inherent in the instrument. Recognition of interest revenue is also conducted in accordance with THNSW's Investment & Interest Policy.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue from ticket sales is recognised at the time of the event, when the service obligation is fulfilled. If tickets are sold in advance, the revenue is recorded as deferred revenue (liability) until the event occurs.

Revenue from over-the-counter retail merchandise sales is recognised at the point of sale. Revenue from online retail merchandise sales is recognised upon shipment.

Revenue from membership is recognised at the point of sale. Revenue from sponsorships is recognised at the time of invoicing for museum display sponsorships and at the time of the event for event-based sponsorships or as otherwise in accordance with the sponsorship contract.

All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories on Hand

Inventories are measured at the lower of cost and net realisable value.

c. Property, Plant and Equipment

Plant and equipment and leasehold improvements are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually 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 that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Museum Collection

During the year a periodic comprehensive revaluation of the rolling stock in the Museum Collection owned by the Company was undertaken by AON Valuation Services for valuation as at 30 June 2025. These rolling stock collection items had last been valued at August 2019.

The valuation was undertaken in accordance with Australian Accounting Standards (including AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment). The Company in its financial reporting for this financial year has reflected revaluation as at 30 June 2025 after AON's Report was assessed and accepted by the Company. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated

against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Depreciation

The depreciable amount of fixed assets excluding the Company owned museum collection, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5 - 20%
Leasehold improvements	5 - 10%
Museum exhibits	Not depreciated

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets

are sold, amounts included in the Asset Revaluation Reserve relating to that asset are transferred to retained earnings.

The Museum exhibits are not depreciated as they have an indeterminate useful life. Preservation and management policies are in place and actively implemented to maintain these collections in perpetuity.

d. Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

e. Employee Provisions

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

f. Cash on Hand

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less

that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Trade and Other Receivables

Trade and other receivables include amounts due from donors and any outstanding funding deed receipts, less an allowance for expected credit loss. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Other receivables are recognised at amortised cost, less any allowance for expected credit loss.

h. Income Tax

No provision for income tax has been raised as Transport Heritage NSW Limited is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

i. Comparative Figures

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

j. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability. Due to their short term nature, they are measured at amortised cost and are not discounted.

k. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements

and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Fair Value Measurement

The rolling stock (museum collection) included in plant and equipment is measured at fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. The fair value of physical non-current assets is determined having regard to their highest and best use and current replacement cost for specialised assets. Independent valuations by an external valuer are performed at regular intervals.

I. Economic Dependence

Transport Heritage NSW Limited (THNSW) is dependent on its Funding Deed arrangements with Transport for NSW (TfNSW) for a significant amount of its revenue used to operate its business. The original Funding Deed arrangements were scheduled to expire on 30 June 2019. However, THNSW entered into a Deed of Variation with TfNSW to extend the funding arrangements for a further three financial years, through to 30 June 2022. Subsequently, a second Deed of Variation was executed to extend the Funding Deed for an additional three financial years, until 30 June 2025. Most recently, THNSW entered into a third Deed

of Variation with TfNSW, extending the funding arrangements for a further 12 months, through to 30 June 2026.

As at the date of this report the THNSW Board of Directors has no reason to believe that the NSW Government via TfNSW and/or the Transport Asset Manager of NSW (TAM) will not continue to support THNSW beyond 30 June 2026.

m. New and Amended Accounting Policies

There were no new Accounting Standards or Interpretations issued by the Australian Accounting Standards Board (AASB) which were mandatory for the current

reporting period that were applicable to the Company.

n. Going Concern Basis

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.

o. Rounding in the Presentation of Figures

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. As a result some numbers may not add up to totals shown due to rounding.

NOTE 2: NET CURRENT YEAR SURPLUS

	2025 \$'000's	2024 \$'000's
a. Revenue		
Programs & Events - Museums	1,383	1,258
Programs & Events - Rail Operations	1,903	2,155
Other Commercial Activities (including Retail)	575	604
Marketing	15	8
Heritage & Collections	9	-
Fleet Maintenance	41	70
Facilities	-	37
Membership	104	105
Bequests, Donations & Gifts	1,129	61
Interest received	98	19
Government Funding Stream 1 (FS#1)	6,174	5,697
Corporate Services and other	74	140
Government Funding Deed		
Government Funding Streams 2 and 3, and Special Purpose Funds		
• TfNSW Funding Stream 2 (FS#2)	876	594
• TfNSW Funding Stream 3 (FS#3)	204	200
• TfNSW Special Purpose Funding (SPF)	4,913	1,319
• TfNSW Grant Funding (LL)	322	-
• DRNSW Loop Line (LL) funding	67	2,316
Total Revenues	17,887	14,582

b. Expenses

Programs & Events - Museums	950	915
Programs & Events - Rail Operations	1,278	1,512
Other Commercial Activities (including Retail)	503	478
Marketing	642	499
Heritage & Collections	572	425
Fleet Maintenance	3,293	2,986
Facilities	1,382	1,731
THNSW Board	187	106
Stakeholder & Relationship Management	95	105
Depreciation and amortisation:		
• Plant and equipment	161	127
• Leasehold improvements and other	4	4
• Right-of-use Assets	9	19
Total depreciation and amortisation expenses	175	150
Employee provisions - Superannuation	478	414
Rental expenses on operating leases:		
• Low value lease expenses	6	6
Total rental expenses	6	6
Interest on lease liabilities		
Corporate Services and other	1,218	1,102
Government Funding Streams 2 and 3, and Special Purpose Funds expensed		
• TfNSW Funding Stream 2 (FS#2)	876	594
• TfNSW Funding Stream 3 (FS#3)	204	200
• TfNSW Special Purpose Funding (SPF)	4,913	1,319
• TfNSW Grant Funding (LL)	322	-
• DRNSW LL funding	67	2,316
Total Expenses	17,158	14,856

NOTE 3: CASH & CASH EQUIVALENTS

	2025 \$'000's	2024 \$'000's
Cash on hand	10	10
Cash at bank - deposits on call	1,429	1,154
Cash at bank - term deposits and higher interest earning deposits	12,415	6,564
	13,854	7,728

NOTE 4: TRADE AND OTHER RECEIVABLES

	2025 \$'000's	2024 \$'000's
CURRENT		
Trade receivables	3,937	19
Less: allowance for expected credit loss	-	-
Other receivables	-	135
	3,937	154

NOTE 5: INVENTORIES ON HAND

	2025 \$'000's	2024 \$'000's
CURRENT		
At cost:		
Stock on hand	340	336
	340	336

NOTE 6: OTHER CURRENT ASSETS

	2025 \$'000's	2024 \$'000's
Prepayments	298	376
	298	376

NOTE 7: FINANCIAL ASSETS

	2025 \$'000's	2024 \$'000's
Term Deposits	3,500	8,664
	3,500	8,664

Term deposits with original maturities greater than three months and less than twelve months are classified as current financial assets.

NOTE 8: PROPERTY, PLANT & EQUIPMENT

	2025 \$'000's	2024 \$'000's
Museum exhibits - at cost	28	28
Less accumulated depreciation	-	-
Net carrying amount	28	28
Leasehold property improvements - at cost	350	315
Less accumulated depreciation	(292)	(288)
Net carrying amount	58	27
Other plant, equipment and motor vehicles - at cost	1,710	1,437
Less accumulated depreciation	(1,168)	(1,041)
Net carrying amount	541	396
Rolling Stock - THNSW-owned Collection	10,187	8,551
Less accumulated depreciation	-	-
Net carrying amount	10,187	8,551
Total net carrying amount	10,814	9,001

Reconciliation

	Museum exhibits	Leasehold property improvements	Other plant, equipment and motor vehicles	Rolling Stock - THNSW-owned Collection (museum collection)	Total
BALANCE AT 01 JULY 2023	28	31	259	8,526	8,844
Additions	-	-	264	25	289
Depreciation expense	-	(4)	(127)	-	(131)
BALANCE AT 30 JUNE 2024	28	27	396	8,551	9,001
Additions	-	35	307	10	351
Collection revaluation	-	-	-	1,626	1,626
Depreciation expense	-	(4)	(161)	-	(165)
BALANCE AT 30 JUNE 2025	28	58	541	10,187	10,814

NOTE 9: RIGHT-OF-USE ASSETS

The Company's right-of-use assets include a forklift (equipment).

	2025 \$'000's	2024 \$'000's
Leased equipment	-	94
Less accumulated depreciation	-	(84)
Net carrying amount	-	9
Total right-of-use assets	-	9

Depreciation charge related to right-of-use assets	9	19
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Reconciliation of the written down values at the beginning and end of the current financial year are set out below:

	Leased equipment	Total
BALANCE AT 01 JULY 2024	9	9
Depreciation expense	(9)	(9)
Net carrying amounts	-	-

NOTE 10: TRADE AND OTHER PAYABLES

	2025 \$'000's	2024 \$'000's
CURRENT		
Trade payables	541	385
Tour/Event sales in advance	140	266
Sundry creditors and accruals	1,005	121
	1,686	772

NOTE 11: LEASE LIABILITIES

	2025 \$'000's	2024 \$'000's
NON - CURRENT		
Lease Liabilities	-	10
	-	10

NOTE 12: EMPLOYEE PROVISIONS

	2025 \$'000's	2024 \$'000's
CURRENT		
Annual Leave	408	369
Long Service Leave	106	18
	513	387
NON-CURRENT		
Long Service Leave	155	231
	155	231
	668	618

NOTE 13: FUNDING DEEDS

	2025 \$'000's	2024 \$'000's
CURRENT		
TfNSW Funding Stream 1 (FS#1)		
Opening balance	202	285
Funding amount received	6,320	5,613
Interest received	-	-
Funding amount expensed	(6,174)	(5,697)
Balance at the end of the year	349	202
TfNSW Funding Stream 2 (FS#2)		
Opening balance	4,127	2,645
Funding amount received	1,925	1,977
Interest received	198	98
Funding amount expensed	(876)	(594)
Balance at the end of the year	5,374	4,127
TfNSW Funding Stream 3 (FS#3)		
Opening balance	79	102
Funding amount received	185	175
Interest received	1	2
Funding amount expensed	(204)	(200)
Balance at the end of the year	61	79
TfNSW Special Purpose Funding (SPF)		
Opening balance	9,243	10,168
Funding amount received	-	-
Interest received	297	393
Funding amount expensed	(4,911)	(1,319)
Balance at the end of the year	4,629	9,243
TfNSW Grant Funding (LL)		
Opening balance	-	-
Funding amount received	5,500	-
Interest received	-	-
Funding amount expensed	(322)	-
Balance at the end of the year	5,178	-
DPIRD (previously DRNSW) Loop Line Upgrade Funding		
Opening balance	67	2,314
Funding amount received	1,294	-
Interest received	-	69
Funding amount expensed	(67)	(2,316)
Balance at the end of the year	1,294	67
Total Funding remaining as at 30 June	16,884	13,718

THNSW has entered a Funding Deed with the NSW Government, via Transport for NSW (TfNSW), to care for and manage the NSW State-owned Heritage Transport Collection and to deliver a wide range of activities to support the Transport Heritage Sector in NSW.

The Funding Deed arrangements with the NSW Government provides specific funding to THNSW for the following purposes:

TfNSW Funding Stream 1 (FS#1)

Annual funding allocated specifically to THNSW's Business Operations, including a specified minimum of \$1.0 million which must be used for operational rolling stock fleet maintenance. The THNSW Board determines THNSW's annual business plan and annual business operations budget, including the allocation of FS#1 funds to be used and the use of THNSW's own-generated revenue raised through its various activities.

For FY 2024/25 TfNSW provided a total allocation of \$6.3m to FS#1 funding for the year, including \$3.0m allocated to operational rolling stock fleet maintenance and representing an increase of \$2.1m over the minimum annual allocation for operational fleet maintenance under THNSW's funding arrangements. An additional \$250k was allocated to the operation and maintenance of the Heritage Hub Tank Annex building.

TfNSW Funding Stream 2 (FS#2)

Annual funding for the purposes of Portfolio Management of the NSW Government-owned heritage transport assets. Allocation of the annual funding is determined by the Independent Funding & Advisory Panel (IFAP) appointed by the NSW Government.

TfNSW Funding Stream 3 (FS#3)

Annual funding for the Transport Heritage Grants Program. Allocation of the annual funding is determined by the Independent Funding &

Advisory Panel (IFAP) appointed by the NSW Government.

TfNSW Special Purpose Funding (SPF)

THNSW has also entered into a Special Projects Funding Deed with the NSW Government under which specific funding, referred to as Special Purpose Funds, is allocated to specific projects. Allocation of Special Purpose Funds to specific projects is determined by TfNSW.

In FY 2024/25 there were three (3) approved projects being the Loop Line Upgrade Project (LLUP), the Heritage Hub at Chullora Establishment Project, and the Heritage Hub Stage 1 - Collection Relocation Project to relocate Collection Items into the Tank Annex. The Collection Relocation Project was completed during the financial year. The other two projects remain ongoing and will be carried over to next financial year.

TfNSW Grant Funding (LL)

In FY 2024/25 THNSW received additional grant funding from TfNSW specifically for the Loop Line Upgrade Project (LLUP). The Funding amount received for LL also includes invoicing for funding instalment payments for the Loop Line Upgrade Project which were not received until Q1 FY 2025/26.

Department of Primary Industries and Regional Development (DPIRD) (previously Department of Regional NSW (DRNSW))

During FY 2021/22 THNSW entered into a Funding Deed with the NSW Government via its then Department of Regional NSW (DRNSW) (now Department of Primary Industries and Regional Development (DPIRD)) to fund the balance required to complete the LLUP. Funding is provided as instalments over the duration of the project. The Funding amount received from DPIRD includes invoicing for funding instalment payments for the Loop Line Upgrade Project which were not received until Q1 FY 2025/26.

NOTE 14: ASSET REVALUATION RESERVE

As shown at Note 1 c, a periodic revaluation of the rolling stock in the Museum Collection owned by the Company was undertaken by AON Valuation Services in 2025 and the value of these assets was determined to be \$10,187k. The movement in the Asset Revaluation Reserve of \$1,626k represents the difference between the value as determined by AON Valuation Services and the previous reported value of \$8,551k for these assets.

These assets will not be revalued more frequently than once every five (5) years however annual fair value basis assessments will be made to determine if anything has materially changed impacting valuations.

During the year one item of THNSW-owned rolling stock was acquired at a value of \$9.7k and was included in the revaluation.

NOTE 15: GENERAL RESTORATION FUND

During FY 2024/25 THNSW was a residual beneficiary of the estate of the late Graham Houston Matheson, receiving a donation of \$244k to be applied to the General Restoration Fund. Interest earned during the year was \$5k and the THNSW Board approved the use of \$184k. This resulted in a net movement of \$66k to the General Restoration Fund.

NOTE 16: BEQUESTS FUND

THNSW adopted an updated THNSW Investment & Interest Policy during the previous year and in accordance with this policy amalgamated the previously held non-conditional bequest monies into a single consolidated "Bequests Fund" until spent for approved purposes.

During FY 2024/25 THNSW was a residual beneficiary of the estate of the late Peter James Mackenzie, receiving a donation of \$833k. Interest earned during the year was \$84k and the THNSW Board approved the use of \$46k. This resulted in a net movement of \$871k to the Bequests Fund.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

	2025 \$'000's	2024 \$'000's
OPERATING LEASE COMMITMENTS		
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Payable – minimum lease payments:		
• not later than 12 months	6	6
• between 12 months and five years	12	17
• later than five years	-	-
	17	23

NOTE 18: RELATED PARTIES TRANSACTIONS

a. Key Management Personnel

As at 30 June 2025, Transport Heritage NSW had a total of 16 key management personnel, comprising eight Directors (non-remunerated by THNSW), the CEO and seven managers (employees) reporting directly to the CEO. This includes the creation of a new HR & Culture Manager position in May 2025 reporting directly to the CEO. (2024:15)

	2025 \$'000's	2024 \$'000's
KEY MANAGEMENT PERSONNEL COMPENSATION		
Aggregate compensation	1,488	1,366

b. Payments to the Chair

During the year the following payment was made by Transport for NSW (TfNSW) to the Chair, for services in leading the Transport Heritage NSW Board during their term.

	2025 \$'000's	2024 \$'000's
PAYMENT FOR SERVICES AS CHAIR		
The Hon. Nathan Rees - commenced 25 July 2022	35	35
	35	35

c. Related party transactions

During the year the Company paid the cost of the Australian Institute of Company Directors (AICD) course undertaken by THNSW Board Director Janelle Middleton amounting to \$12,600 (2024: \$8,800 for THNSW Board Director Deanna Varga). The Company paid the course fees directly as part of its professional development support for Directors.

There were no other related party transactions during the year (2024: \$nil).

NOTE 19: REMUNERATION OF AUDITORS

	2025 \$'000's	2024 \$'000's
AUDIT SERVICES		
Audit Services - HLB Mann Judd Assurance (NSW) Pty Ltd	32	-
Audit Services - Castletons Accountants & Business Advisors	5	26
	38	26

NOTE 20: ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets or contingent liabilities at year end (2024: nil).

NOTE 21: CASH FLOW INFORMATION

	2025 \$'000's	2024 \$'000's
RECONCILIATION OF SURPLUS AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES		
Surplus after income tax expense for the year	729	(275)
Adjustments for:		
• Depreciation and amortisation	175	150
• Net(gain) loss on disposal of property, plant and equipment	(8)	(14)
• Net (gain) loss from reserve transfer	-	71
Change in operating assets and liabilities		
• (increase)/decrease in trade and other receivables	(3,783)	(59)
• (increase)/decrease in prepayments	78	(256)
• (increase)/decrease in inventories on hand	(4)	13
• (decrease)/increase in funding received in advance	3,165	(1,797)
• (decrease)/increase in trade and other payables	914	(291)
• (decrease)/increase in provisions	50	77
Net Cash Used In Operating Activities	1,315	(2,382)

NOTE 22: ECONOMIC DEPENDENCY

THNSW operates the NSW Rail Museum at Thirlmere and the Valley Heights Locomotive Depot Heritage Museum in the Blue Mountains, as well as offering heritage passenger rail experiences on its Thirlmere Heritage Railway (Loop Line) and on the main line throughout NSW and Australia. THNSW's ability to continue to grow and develop its heritage transport experiences, events, and attractions is contingent upon the safe and reliable maintenance of operational assets, track access to main line networks, safety accreditation, as well its ongoing asset management activities including collecting, preserving and presenting rail transport heritage. All of THNSW's activities are dependent upon the funding provided by the NSW Government as well as the continued support from the general public.

Funding provided by Transport for NSW (TfNSW) under a Funding Deed includes a minimum annual funding amount for the duration of the agreement. As disclosed in Note 1.I, the original Funding Deeds were scheduled to expire on 30 June 2019. However, THNSW entered into a Deed of Variation with TfNSW to extend the funding arrangements for a further three financial years, through to 30 June 2022. Subsequently, a second Deed of Variation was executed to extend the Funding Deed for an additional three financial years, until 30 June 2025. Most recently, THNSW entered into a third Deed of Variation with TfNSW, extending the funding arrangements for a further 12 months, through to 30 June 2026.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Company's operations, the results of the operations, or the Company's state of affairs in future financial years.

NOTE 24: MEMBERS GUARANTEE

Transport Heritage NSW Limited is incorporated under the *Corporations Act 2001* as a company limited by guarantee. In the event of the Company being wound up, the Company's constitution requires each member to contribute a maximum of \$20.00 towards meeting any outstanding obligations of the Company. At 30 June 2025, the company had 1,697 members, excluding Complimentary and Honorary members.

NOTE 25: COMPANY DETAILS

The registered office of the company is:

Transport Heritage NSW Limited, Harwood Building - Powerhouse Ultimo, 500 Harris Street, Ultimo NSW 2007

The principal places of business are:

Harwood Building - Powerhouse Ultimo, 500 Harris Street, Ultimo NSW 2007

10-20 Barbour Road, Thirlmere NSW 2572

17B Tusculum Road, Valley Heights NSW 2777

Independent Auditor's Report to the Members of Transport Heritage NSW Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Transport Heritage NSW Limited ("the Company"), which comprises the statement of financial position as at 30 June 2025, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Transport Heritage NSW Limited and its members and should not be used by parties other than Transport Heritage NSW Limited and its members. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors' are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB MANN JUDD

A handwritten signature in black ink, appearing to read 'V M Abboud', with a long horizontal line extending to the right.

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

V M Abboud
Director

Sydney, NSW
8 October 2025

hlb.com.au

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