

Financial Statements 2014–15

**Transport
HeritageNSW**



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**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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: 14th October 2015



Postal Address PO Box 569 Epping NSW 1710
Suite 1, 4th Floor, 3 Carlingford Road, Epping NSW 2121
Telephone 02 9869 8900 Facsimile 02 9868 2056
Email yourteam@castletons.com.au

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 Statement of Comprehensive Income for year ended 30 June 2015, Statement of Financial Position as at 30 June 2015, Statement of Changes in Equity and Statement of Cashflow for the year then ended, Notes to the Financial Statements (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 2015 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: 14th October 2015

Transport Heritage NSW Limited

2015 Annual Report

Financial Statements 2



Postal Address PO Box 569 Epping NSW 1710
Suite 1, 4th Floor, 3 Carlingford Road, Epping NSW 2121
Telephone 02 9869 8900 Facsimile 02 9868 2056
Email yourteam@castletons.com.au

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



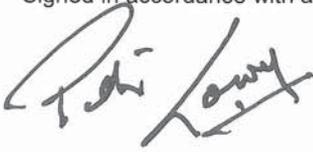
Chartered
Accountants

DIRECTORS' DECLARATION

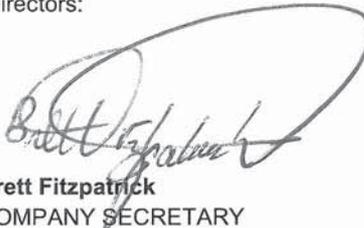
In the opinion of the Board of Directors of Transport Heritage NSW Limited:

- 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 2015 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 Lowry OAM
CHAIR



Brett Fitzpatrick
COMPANY SECRETARY

Dated this 13th day of October 2015.

The following key points of note are intended to help readers of the subsequent Financial Reports by providing some relevant context and supporting explanation regarding the 2015 year, key differences to the 2014 year, and other activities and items that are not immediately obvious to the reader, but are reflected through various results within the Financial Reports.

Transport Heritage NSW (THNSW) Establishment

2015 results shown reflect THNSW's first full year operating as THNSW after the restructuring to amalgamate the activities of the previous Office of Rail Heritage (ORH), NSW Rail Transport Museum (RTM), and Trainworks Ltd. By comparison, results shown for 2014 are for THNSW's establishment year and thus are comprised of the first six months July to December 2013 being RTM and with only the second six months of operation as THNSW, that is, from January to June 2014.

This means that 2015 results also include THNSW having taken on the previous Trainworks activities which is reflected in increased revenues from Events and Functions at Thirlmere Museum and increased Thirlmere Rail Heritage Centre and Railway costs year on year, plus also revenue from Admission Charges and Collection Management costs being shown for the first time in 2015.

Statement of Profit or Loss

2015 shows a significant increase in profit over 2014 which has been driven by two key factors during the year. Firstly, 2015 saw strong growth in Thirlmere Rail Heritage Centre and Railway revenues, retail sales, and interest earned on accumulated funds over 2014. Secondly, savings were made from the significant underspend of Transport for NSW (TfNSW) funding for employees and administrative costs during the 2015 year.

Higher employee costs and other expenses in 2015 reflect the increased obligations and increased scope of THNSW activities, which were amongst the key drivers for THNSW's establishment and therefore form a subset of TfNSW funding to THNSW.

Assets and Liabilities

Similarly, 2015 saw THNSW receive its first full year of funding under the Funding Deed with Transport for NSW (TfNSW), as compared to 2014.

The Funding Deed allows THNSW to accumulate (or save up) monies for large projects in later years. A large proportion of 2015 funds are already being set aside and saved towards a number of key projects including the 3801, 3830 and 3526 locomotive projects. The 2015 Financial position reflects the retention of these funds, as disclosed in Current and Non-Current Assets and Liabilities at 30 June 2015.

The ability to carry over funds for large future projects, planned major periodic locomotive and rolling stock maintenance activities, heritage site maintenance, operating costs, and other activities and initiatives planned in future years is essential to maintaining the reliability of THNSW's fleet, heritage passenger train operations, as well as sustainability of THNSW's heritage sites and the community events held.

In addition, the 2015 Current Assets and Non-Current Liabilities include a very generous Bequest received from the estate of the Late Ian Glasgow, one of our longstanding members, who very sadly passed away.

Trade and other receivables are lower in 2015 due to a TfNSW Funding Deed payment due to THNSW at the end of the 2014 financial year being received and accounted in the following 2015 financial year.

Higher 2015 Retained Surplus, and thus Total Equity, also reflect the savings made from the underspend of TfNSW funding during the 2015, allowing saving and investment for future expenditures and THNSW's ongoing sustainability.

Statement of Cashflow

Receipts from customers includes all revenues from Thirlmere Museum entrance, Heritage Express heritage passenger rail operations, events, retail sales, and other customer and public activities.

Payments for property, plant and equipment in 2015 include the purchase of Locomotive 7350, miniature trains for Thirlmere, and a tractor crane for the Valley Heights Locomotive Depot, together with IT and communications equipment necessary for business operations.

Detailed Income and Expenditure Statements

Activity groups shown in the 2015 Detailed Income and Expenditure Statements are intended to better reflect the current THNSW organisation structure. This means that some of the results shown for 2014 have been moved between groups or to new groups so as to give a better comparison year on year.

Administration

Higher administration expenditure in 2015 includes consultancy fees for establishment activities (particularly for those activities where employees are yet to be recruited). Increased office and employee costs were offset by a significant increase in TfNSW funding for administration. In fact, there was a significant underspend in this area due to THNSW's personnel being progressively recruited and not yet fully populated.

Membership

Surplus from membership activities in 2015 is lower than in 2014 driven by the strong membership activities including last year's AGM and Annual Conference, end of year event, and Membership Forums.

Thirlmere Rail Heritage Centre

Thirlmere Museum's revenue from admission charges is shown for the first time in 2015 along with a full year of its costs. This includes the full cost of the Loop Line and site operating costs at Thirlmere.

Retail

Profit from retail sales has more than doubled with the full year of retail sales income in 2015. This has been driven by a clearing of old retail stock and increased retail sales at events and on heritage passenger rail trips.

Railway Operations

Profit from railway operations have remained relatively stable year on year. This is due to a changed product mix towards lower priced, higher turnover events and shorter journeys, hence making events and heritage passenger rail trips affordable, accessible and more marketable to broadened customer base. Southern Aurora operations have been scaled back to allow essential maintenance works to be undertaken on it.

Workshop Maintenance and Projects

Workshop Maintenance and Projects expenditure in 2015 reflects the significant investment being made in THNSW's operating fleet and key locomotive projects, all of which benefit from TfNSW funding.

Going Forward

2016 will see the development of increased company activities to support THNSW in servicing its larger heritage portfolio and wider Transport Heritage Sector activities. This will include building organisational capability and capacity, building sustainable operations, and actively growing THNSW's reach and activities across the Sector.

The awaited establishment by TfNSW of the Independent Funding Advisory Panel (IFAP) and the clarification of roles and responsibilities to heritage portfolio properties not in the direct custody of THNSW will enable the disbursement of accumulated project funds to commence in 2016.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2015

	Note	2015	2014
		\$	\$
Revenue	3	6,283,933	3,221,364
Other income	3	38,983	38,570
Changes in inventories of finished goods and work in progress		(35,194)	25,483
Raw materials and consumables used		(102,969)	(50,681)
Employee benefits expenses		(1,975,874)	(961,736)
Depreciation and amortisation expenses	4 / 12	(140,837)	(115,445)
Other expenses		(2,921,935)	(1,728,032)
Surplus (deficit) before income tax expense		<u>1,146,107</u>	<u>429,523</u>
Income tax expense	5	<u>-</u>	<u>-</u>
Net surplus (deficit) for the year		<u>1,146,107</u>	<u>429,523</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Surplus (deficit) attributable to the members of the entity		<u>1,146,107</u>	<u>429,523</u>
Total comprehensive income attributable to the members of the Entity		<u>1,146,107</u>	<u>429,523</u>

The accompanying notes form part of these Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8	6,813,373	1,232,075
Trade and other receivables	9	40,503	1,451,593
Inventories	10	157,006	192,200
Other current assets	11	143,639	34,405
TOTAL CURRENT ASSETS		<u>7,154,521</u>	<u>2,910,273</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	718,078	660,217
TOTAL NON-CURRENT ASSETS		<u>718,078</u>	<u>660,217</u>
TOTAL ASSETS		<u>7,872,599</u>	<u>3,570,490</u>
CURRENT LIABILITIES			
Trade and other payables	13	993,538	811,724
Employee provisions	14	126,952	67,871
TOTAL CURRENT LIABILITES		<u>1,120,490</u>	<u>879,595</u>
NON-CURRENT LIABILITIES			
Funding Deed TfNSW	15	3,598,900	1,690,700
Bequests	15	1,000,000	-
Employee provisions	14	32,702	25,795
TOTAL NON-CURRENT LIABILITES		<u>4,631,602</u>	<u>1,716,495</u>
TOTAL LIABILITIES		<u>5,752,092</u>	<u>2,596,090</u>
NET ASSETS		<u>2,120,507</u>	<u>974,400</u>
EQUITY			
Reserves	16	358,843	388,947
Retained surplus		1,761,664	585,453
TOTAL EQUITY		<u>2,120,507</u>	<u>974,400</u>

The accompanying notes form part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Retained Surplus \$	Capital Works Reserve \$	Steam Future Fund \$	General Restoration Fund \$	Total \$
Balance as at 30 June 2013	186,034	10,339	37,634	310,870	544,877
Comprehensive income					
Profit (loss) retained	399,419	-	-	-	399,419
Other comprehensive income	-	-	-	-	-
Transfer to and from reserves:					
General restoration funds	-	-	-	30,104	30,104
Capital works reserve	-	-	-	-	-
Balance as at 30 June 2014	585,453	10,339	37,634	340,974	974,400
Comprehensive income					
Profit (loss) retained	1,146,107	-	-	-	1,146,107
Other comprehensive income	-	-	-	-	-
Transfer to and from reserves:					
General restoration funds	-	-	-	-	-
Capital works reserve	-	-	-	-	-
Balance as at 30 June 2015	1,731,560	10,339	37,634	340,974	2,120,507

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash from operating activities			
Receipts from customers		7,650,286	1,770,614
Receipts from donations		40,030	48,862
Payments to suppliers and employees		(4,855,196)	(2,738,836)
Interest received		43,690	16,933
Interest paid		(173)	(2,088)
Net cash generated from (used in) operating activities	20	<u>2,878,637</u>	<u>(904,515)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(205,539)	(79,899)
Proceeds from sale of property, plant and equipment		-	4,545
Net cash provided by (used in) investing activities		<u>(205,538)</u>	<u>(75,354)</u>
Cash flows from financing activities			
Proceeds from Funding Deed and bequests		2,908,200	1,690,701
Net cash provided by (used in) financing activities		<u>2,908,200</u>	<u>1,690,701</u>
Net increase (decrease) in cash held		5,581,298	710,832
Cash at the beginning of the financial year		1,232,075	521,243
Total cash as at 30 June 2015	8	<u>6,813,373</u>	<u>1,232,075</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 the 13th October 2015 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, real property, collection objects 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 costs for these assets are capitalised and the restoration costs are amortised over the remaining custody period.

The depreciable amount of all fixed assets owned by Transport Heritage NSW Limited including buildings 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 2015.

(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 for payment of ant 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 or 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 Company 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 and where considered by the Directors to be meaningful for understanding the financial report, 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 Funding Deed and Bequests

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

As per the conditions attached to the funding streams which must be satisfied before it is eligible to receive the contribution, the recognition of the funding as revenue will be deferred until those conditions are satisfied. In addition, the Company is allowed to carry non-reciprocal funding over for use in subsequent years.

When funding 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.

The Company 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.

Bequests received are treated in the same manner as government funding.

(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 2015 is an amount of \$1,000 (2014 \$22,000) 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 2015

	2015	2014
	\$	\$
3. REVENUE AND OTHER INCOME		
Revenue from operating activities		
Members subscriptions	88,958	95,341
Donations received:		
General restoration fund	21,889	30,104
Specific projects	18,141	18,758
Sales of goods and services:		
Thirlmere Rail Heritage Centre and railway	273,177	19,914
Heritage Express operations and events	1,823,745	1,828,295
Retail sales	147,443	78,573
Workshop maintenance and projects	537	165,432
Interest received	43,690	16,933
Hunter Group	-	-
Blue Mountains Group	47,154	46,196
Illawarra Group	3,593	1,129
	<u>2,468,327</u>	<u>2,300,675</u>
Revenue from non-operating activities		
Government Funding Deed	3,815,606	920,689
	<u>3,815,606</u>	<u>920,689</u>
Total Revenue	<u>6,283,933</u>	<u>3,221,364</u>
Other income		
Net gain on disposal of non-current assets;		
Property, plant and equipment	-	4,545
Gifted assets	-	33,091
	<u>-</u>	<u>37,636</u>
Assets transferred from liquidation of Trainworks Limited	36,990	-
Miscellaneous income	1,993	934
	<u>38,983</u>	<u>934</u>
	<u>38,983</u>	<u>38,570</u>
4. EXPENSES		
Cost of sales:		
Thirlmere Rail Heritage Centre and railway	524,934	119,169
Heritage Express operations and events	1,203,488	1,134,521
Retail sales	94,736	53,668
Collections	34,052	-
Workshop maintenance and projects	1,303,858	703,558
	<u>3,161,068</u>	<u>2,010,916</u>
Depreciation of non-current assets:		
Property, plant and equipment	130,064	106,205
Amortisation of non-current assets:		
Other leasehold improvements	10,773	9,240
	<u>140,837</u>	<u>115,445</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
4. EXPENSES (continued)		
Rental expenses on operating leases	7,656	5,880
	<u>7,656</u>	<u>5,880</u>
Bad and doubtful debts provision adjustment	(21,000)	(1,492)
Employee benefit expenses - superannuation	143,899	68,706
	<u>122,899</u>	<u>67,214</u>
Net loss on disposal of non-current assets – Property, plant and equipment	6,841	-
	<u>6,841</u>	<u>-</u>
5. INCOME TAX EXPENSE		
The Company is exempt from the payment of Income Tax.		
6. AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- auditing or reviewing the accounts	38,600	22,500
- other audit related services	-	7,990
	<u>38,600</u>	<u>30,490</u>
7. DIVIDENDS		
Clause 38.3 of the Constitution of Transport Heritage NSW Limited specifically prohibits the payment of dividends by the Company.		
8. CASH AND CASH EQUIVALENT		
Cash on hand	3,750	8,210
Cash at bank	1,439,243	700,684
Secured deposit	5,370,380	523,181
Total cash and cash equivalent in the balance sheet	<u>6,813,373</u>	<u>1,232,075</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>6,813,373</u>	<u>1,232,075</u>
9. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	41,503	94,026
Less: provision for impairment of receivables	(1,000)	(22,000)
	<u>40,503</u>	<u>72,026</u>
Other receivables	-	1,379,567
	<u>40,503</u>	<u>1,451,593</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 2013	23,492
- charge for the year	-
- Written off	(1,492)
Provision for impairment as at 30 June 2014	<u>22,000</u>
- charge for the year	-
- Written off	(21,000)
Provision for impairment as at 30 June 2015	<u><u>1,000</u></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	
	\$	\$	\$	\$	\$	\$	\$
2015							
Trade and term receivables	41,502	(1,000)	13,539	27,963	-	-	41,502
Other receivables	-	-	-	-	-	-	-
Total	41,502	(1,000)	13,539	27,963	-	-	41,502
2014							
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
Total	1,473,593	(22,000)	1,406,519	29,606	1,650	25,715	1,406,519

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
10. INVENTORIES		
Stock on hand:		
At cost	114,149	127,832
At net realisable value	-	-
Locomotive spare parts - at cost	42,857	64,368
	<u>157,006</u>	<u>192,200</u>
11. OTHER CURRENT ASSETS		
Prepayments	143,639	34,405
	<u>143,639</u>	<u>34,405</u>
12. PROPERTY, PLANT AND EQUIPMENT		
(a) Plant, equipment and motor vehicles		
At cost	1,239,432	1,030,535
Less accumulated depreciation	(683,409)	(555,193)
	<u>556,023</u>	<u>475,342</u>
(b) Other leasehold improvements		
At cost	303,216	282,445
Less accumulated amortisation	(204,745)	(193,973)
	<u>98,471</u>	<u>88,472</u>
(c) Museum exhibits at cost	63,584	63,584
(d) Improvements under construction	-	32,819
	<u>718,078</u>	<u>660,217</u>

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
2014					
Balance at 1 July	480,606	97,712	63,584	20,772	662,674
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	475,341	88,472	63,584	32,820	660,217
2015					
Additions at cost	217,587	20,772	-	(32,820)	205,539
Disposals	(6,841)	-	-	-	(6,841)
Depreciation expense	(128,217)	(10,773)	-	-	(138,990)
Depreciation written back	(1,847)	-	-	-	(1,847)
Carrying amount as at 30 June	556,023	98,471	63,584	-	718,078

	2015	2014
	\$	\$
13. TRADE AND OTHER PAYABLES		
Current		
Trade creditors and accruals	356,749	188,515
Tour and event sales in advance	204,483	229,429
Other	270,953	240,912
RailCorp – (major repairs to rolling stock under the former Custody Management Agreement)	161,353	161,353
	<u>993,538</u>	<u>820,209</u>
a. Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	993,538	820,209
- Total non-current	-	-
	<u>993,538</u>	<u>820,209</u>
Less deferred income	(204,483)	(229,429)
Financial liability as trade and other payable	<u>789,055</u>	<u>590,780</u>

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

	2015	2014
	\$	\$
14. EMPLOYEE PROVISIONS		
(i) Analysis of provisions		
Current		
Annual leave	126,952	67,871
	<u>126,952</u>	<u>67,871</u>
Non-current		
Long service leave	32,702	25,795
	<u>32,702</u>	<u>25,795</u>
	<u>159,654</u>	<u>93,666</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
	\$
Balance as at 1 July 2013	104,049
Additional provisions	35,981
Amount used	(43,364)
Unused amounts reversed	-
Balance as at 1 July 2014	<u>93,666</u>
Additional provisions	124,606
Amount used	(58,618)
Unused amounts reversed	-
Balance as at 30 June 2015	<u>159,654</u>

15. FUNDING DEED AND BEQUESTS

(a) The following amounts were received and applied in accordance with the Transport for NSW (TfNSW) Funding Deed during the year ended 30 June 2015.

	Funding Amount
	\$
Opening funding amount as at 1 July 2014	1,690,700
Funding amount received	5,789,095
Funding amount expended	(3,880,895)
Funding amount remaining as at 30 June 2015	3,598,900

(b) The following amounts were received and applied in accordance with Bequests from benefactors during the year ended 30 June 2015

Opening bequests amount as at 1 July 2014	-
Bequests amount received	1,000,000
Bequests amount expended	-
Bequests amount remaining as at 30 June 2015	1,000,000

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.

	2015	2014
	\$	\$

17. CAPITAL AND LEASING COMMITMENTS

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
- between 12 months and 5 years
- greater than 5 years

	7,519	5,880
	2,712	8,931
	-	-
	10,231	14,811

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 increased from four persons as at 30 June 2014 to seven as at 30 June 2015.

Key management personnel compensation

- short term benefits
- post-employment benefits
- other long term benefits

	719,600	292,720
	-	-
	-	-
	719,600	292,720

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/or close family members

- short term benefits	-	-
- post-employment benefits	-	-
- purchase of client support services	-	-
	-	-
	-	-

(c) Transactions with Trainworks Limited

The Chair of Transport Heritage NSW Limited was appointed as Interim Chair of Trainworks Limited and the Chief Executive Officer of Transport Heritage NSW Limited was appointed as Interim Chief Executive Officer of Trainworks Limited in April 2014 to lead Trainworks Limited until its voluntary deregistration. Trainworks Limited entered into voluntary liquidation as at 26 June 2015.

The transfer of Trainworks Limited assets and liabilities was made to Transport Heritage NSW Limited by agreement of the Transport Heritage NSW Board and the Liquidator of Trainworks Limited.

(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 Transport Heritage NSW Board during the year ended 30 June 2015.

Payment

- for services as Chair		35,000
		35,000
		35,000

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

There were no contingent liabilities at reporting date relating to the normal operations of THNSW, however there are expected to be some liabilities arising from the process to wind-up Trainworks Limited.

(b) Contingent assets

There were no contingent assets at reporting date.

	2015	2014
	\$	\$
20. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations to profit:		
Profit after income tax	1,146,107	429,523
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Amortisation	10,773	9,240
- Depreciation	130,064	106,205
- Net (gain) loss on disposal of property, plant and equipment	6,841	(37,636)
Changes in assets and liabilities:		
- (increase) decrease in trade and other debts	1,411,090	(1,385,890)
- (increase) decrease in prepayments	(109,234)	(22,876)
- (increase) decrease in inventories	35,194	(25,483)
- Increase (decrease) in trade payables and accruals	181,814	32,784
- Increase (decrease) in provisions	65,988	(10,383)
Net cash generated from (used in) operating activities	2,878,637	(896,032)

21. ECONOMIC DEPENDENCY

Railway operations which include tours and charters, are a significant part of the Company's operation. Tours and charter operations are dependent on effective restoration, maintenance and operation of the fleet, including track access and safety accreditation, and are dependent upon continued support from the general public.

Funding provided by TfNSW under a Funding Deed provides a minimum annual funding amount for the duration of the Funding Deed.

22. EVENTS SUBSEQUENT TO REPORTING DATE

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 and the Australian Railway Historical Society (New South Wales Division) are the two Management Members of 3801 Limited. Transport Heritage NSW Limited is not represented on the Committee of 3801 Limited, but remains a Management Member. The liability of the Transport Heritage NSW Limited is limited to two hundred and fifty dollars (\$250.00).

24. MEMBERS GUARANTEE

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 2015 the number of members was 2,342, an increase of 172 members from 30 June 2014.

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 2015. 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 2015.

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: 14th October 2015

STATEMENT OF DETAILED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2015

The financial results represent trading results for the year ended 30 June 2015

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 Museum and retail sales
 Group 3: Railway operations consolidated
 Group 4: Collections management
 Group 5: Workshop maintenance and projects
 Group 6: Other Regional Groups
 Blue Mountains Group
 Illawarra Group
 Hunter Group
 Donations and Funding Deed are shown separately.

Summary	2015	2014
	\$	\$
Group 1		
Administration	(1,753,532)	(687,311)
Membership	231	52,467
	(1,753,301)	(634,844)
Group 2		
Thirlmere Museum	(251,757)	(99,255)
Retail sales	52,707	24,905
	(199,050)	(74,350)
Group 3		
Railway operations consolidated	620,256	693,774
	620,256	693,774
Group 4		
Collections management	(34,052)	-
	(34,052)	-
Group 5		
Workshop maintenance and projects	(1,303,321)	(538,127)
	(1,303,321)	(538,127)
Group 6		
Other Regional Groups	-	-
	-	-
Blue Mountains Group (Valley Heights Locomotive Depot)	(42,086)	1,642
	(42,086)	1,642
Illawarra Group	2,025	524
	2,025	524
Hunter Group	-	-
	-	-

These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 20

STATEMENT OF DETAILED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
Donations and Funding Deed		
Funding Deed - TfNSW	3,850,825	592,560
Donations	40,031	48,862
Donations – spent on restoration projects	-	(26,284)
Reimbursements - ORH/3801	(35,220)	328,130
Gifted assets and profit on sold assets	-	37,636
	<u>3,855,636</u>	<u>980,904</u>
Operating surplus / (deficit)	<u>1,146,107</u>	<u>429,523</u>
Reconciled to statement of profit or loss and other comprehensive income	<u>1,146,107</u>	<u>429,523</u>
<u>Administration</u>		
Income:		
Insurance claims	-	783
Interest received	43,690	16,933
Miscellaneous income	38,983	150
	<u>82,673</u>	<u>17,866</u>
Expenditure:		
Salaries and on-costs	1,145,519	290,175
Audit fees	38,600	30,490
Bad debts / doubtful debts	(21,000)	-
Consultancy	23,241	-
Financial advisory	76,388	56,557
Bank / credit card charges	8,658	3,442
Depreciation	140,837	115,445
General expenses	17,200	2,004
Stationery / postage	20,574	2,390
IT hardware / software / consumables	25,681	8,297
Company subscriptions and memberships	3,739	1,822
Legal expenses	88,964	84,145
Board expenses	25,080	-
Office rent	72,685	55,474
Motor vehicle / travel / accommodation	25,349	2,136
Telephone / internet	21,043	8,512
Insurance	57,943	7,067
Marketing / promotion	54,332	40,282
Services / amenities	11,372	(5,149)
Interest paid	-	2,088
	<u>1,836,205</u>	<u>705,177</u>
Surplus / (deficit)	<u>(1,753,532)</u>	<u>(687,311)</u>

These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 20

STATEMENT OF DETAILED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<u>Membership</u>		
Income:		
Members subscriptions	<u>88,958</u>	<u>95,341</u>
Expenditure:		
Members' activities and events	44,191	1,502
General expenses	8,918	1,188
Postage	3,977	5,984
Roundhouse and member communications	<u>31,641</u>	<u>34,200</u>
	<u>88,727</u>	<u>42,874</u>
Surplus / (deficit)	<u>231</u>	<u>52,467</u>
 <u>Thirlmere Museum</u>		
Income:		
Events and functions	17,409	14,716
Admission charges	246,472	-
Miscellaneous	9,296	5,198
	<u>273,177</u>	<u>19,914</u>
Expenditure		
Events, functions and education program expenses	32,962	-
Stationery and postage	7,395	215
IT hardware / software /consumables	10,310	1,812
Insurance	-	5,021
Salaries and related on-costs	-	378
Services and amenities	424,139	82,934
Telephone	17,582	105
Railway station / signal box	11,102	1,623
Track and corridor maintenance	21,444	20,377
General expenses - infrastructure	-	6,704
	<u>524,934</u>	<u>119,169</u>
Surplus / (deficit)	<u>(251,757)</u>	<u>(99,255)</u>
 <u>Retail sales</u>		
Income:		
Over counter sales, wholesale, mail orders, Exhibitions and museum refreshment sales	<u>147,443</u>	<u>78,573</u>
Expenditure:		
Cost of goods sold	91,161	50,680
Postage / general expenses	3,575	2,034
Insurance	-	954
	<u>94,736</u>	<u>53,668</u>
Surplus / (deficit)	<u>52,707</u>	<u>24,905</u>

These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 20

STATEMENT OF DETAILED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<u>Railway operations consolidated</u>		
Income:		
Tours and charters (including Thirlmere Flyer and on-board sales)	1,242,574	1,638,852
Events (including Day Out With Thomas, Transport Heritage Expo and Festival of Steam)	581,170	189,443
	<u>1,823,744</u>	<u>1,828,295</u>
Expenditure:		
Tours and charters direct costs	521,424	602,917
Event direct costs	180,684	8,683
General expenses	38,923	69,118
Salaries and on-costs	194,905	205,687
Coal purchases/re-locations	88,831	53,552
Diesel fuel (after rebate)	178,721	172,986
Insurance	-	21,578
	<u>1,203,488</u>	<u>1,134,521</u>
Surplus / (deficit)	<u>620,256</u>	<u>693,774</u>
 <u>Collections Management</u>		
Income:		
	-	-
Expenditure	34,052	-
Surplus / (deficit)	<u>(34,052)</u>	<u>-</u>
 <u>Workshop Maintenance and Projects</u>		
Income:		
Loco and rolling stock projects	-	140,030
Other project income	536	25,401
	<u>536</u>	<u>165,431</u>
Expenditure:		
Salaries and on-costs	539,069	382,816
Maintenance locomotive fleet	290,815	28,846
Maintenance rolling stock fleet	27,532	54,949
Maintenance supplies	73,145	52,679
General expenses	17,704	7,869
Services / amenities	-	1,058
Project costs	355,592	175,341
	<u>1,303,858</u>	<u>703,558</u>
Surplus / (deficit)	<u>(1,303,321)</u>	<u>(538,127)</u>

These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 20

STATEMENT OF DETAILED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<u>Blue Mountains Group</u>		
Income:		
Museum entrance income	14,845	32,036
Retail sales	10,443	10,220
Miscellaneous income	17,809	2,071
Members subscriptions	2,118	1,869
Grant received	1,939	-
	<u>47,154</u>	<u>46,196</u>
Expenditure:		
Administration	10,440	1,282
General expenses	13,752	25,095
Insurance	-	318
Repairs to roundhouse / turntable	19,410	5,676
Repairs to equipment	36,106	6,033
Services / amenities	9,532	6,150
	<u>89,240</u>	<u>45,766</u>
Surplus / (deficit)	<u>(42,086)</u>	<u>1,642</u>
 <u>Illawarra Group</u>		
Income		
Retail sales	292	569
Miscellaneous / tours	3,266	551
Interest	35	9
	<u>3,593</u>	<u>1,129</u>
Expenditure		
General expenses	1,568	605
	<u>1,568</u>	<u>605</u>
Surplus / (deficit)	<u>2,025</u>	<u>524</u>
 <u>Hunter Group</u>		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

These statements should be read in conjunction with the attached Compilation Report of Castletons Auditing Services as set out on Page 20