



**1st ANNUAL REPORT  
Covering Company establishment  
and the Period Ending 30 June 2018**

**Capital Region Heritage Rail Limited  
ACN 625 904 663**



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## Our Mission

To protect the valuable Heritage Rail Assets in our care whilst refocusing the Canberra Railway Museum activities towards its core purpose for the benefit of the Canberra / Capital region and its people.

## Our Vision

From its established base in Kingston ACT, to rebuild the Canberra Railway Museum as Canberra's only Heritage Rail experience. Through the effective use of the existing rail infrastructure deliver heritage rail journeys through the scenic Molonglo Gorge to other Capital region destinations.

## Our History

The Canberra Railway Museum has been a Canberra public icon for over 30 years, attracting more than 400,000 visitors in that time. Its failure in 2016 left the ACT without a Rail Heritage presence and saw many valuable historic items sold. The public of Canberra and Environs deserve better!



## ABOUT US

The Canberra Railway Museum is in the hands of a Not for Profit Membership based company known as ***Capital Region Heritage Rail Limited***.

A Rail Museum needs a rail environment and access to the commercial rail network.

The current Kingston location fulfils these essential needs and being based on the original Commonwealth Railway land is of significant heritage value to the people of Canberra. The importance of this aspect was recognised by the ACT Heritage Council when on 1 June 2017 it decided to register the City Railway Remnants in Kingston on the ACT Heritage Register.

The Kingston site has been progressively developed since 1985 to meet the specialised needs of a rail heritage public museum, primarily by the effort of volunteers supplemented with financial assistance from initially the Commonwealth Government, and more recently the ACT Government. In November 2007 the ACT Legislative Assembly formally recognised the importance of rail heritage to the ACT and the significant contribution made by the Canberra Railway Museum.

The Canberra Railway Museum complex houses:

- Depot facilities for Steam and Diesel Locomotives, Rail Motors and Carriages.
- Extensive Rail Permanent Way and associated equipment.
- Restoration facilities for the Heritage Fleet collection.
- A Heritage and Museum display centre containing a collection of over 200 artefacts.
- Train marshalling and servicing facilities for Heritage Tour Trains.
- Meeting and Social facilities for Museum volunteers and kindred organizations.

Major specialised rail facilities include:

- An inspection / servicing pit for steam locomotives
- A locomotive water column.
- A 75 m passenger platform.
- Two storage sheds providing over 350 metres of “on rail” covered storage.
- A roll on / roll off ramp
- A top of rail hardstand area.
- Carriage watering and servicing facilities.

## OUR PEOPLE

### Patrons

Tim Fischer AC

Gary Humphries

### Members of the Initial Board – Promoter / Directors

<b>Name</b>	<b>Position</b>	<b>Dates acted</b>
John Cheeseman	Chairman	2 May 2018 to date
Richard Robinson	Company Secretary	2 May 2018 to date
Glenn Bridgart	Director	2 May 2018 to date

## Volunteers

Members are the backbone of the company. Our volunteers, both members and non-members, are supporting the activities of the Museum in ever increasing numbers. A strong level of local support is evident with over 90% of members being based in the Capital Region.

Numbers have continued to climb since memberships were opened in June 2018 and are now nearing 100. This is an exceptional result and represents an achievement of 75% of our membership target in just 4 months.



*Exhibits to be proud of – just need to add people!*

## STRUCTURE & MANAGEMENT

On 2<sup>nd</sup> May 2018 Capital Region Heritage Rail Limited was registered with the Australian Charities and Not-for-profits Commission (ACNC) to operate in both the Australian Capital Territory and New South Wales under sub-type 2014, Advancing Culture. The Canberra/Capital region and its communities' benefit from the activities of the Charity.

Management is volunteer based, reflecting past strengths in the Heritage Rail environment in the Region.

Providing governance oversight is an experienced board comprising of a mix of professionals from financial, military, public service, and education backgrounds, as well as private industry both large and small. The constitution has been designed to reflect the latest professional advice in the areas of Not for Profit governance and have specific inclusions to ensure an appropriate spread of expertise going forward.



*The return of the Tin Hares to Bungendore in future*

## CHAIRPERSON'S REPORT

Whilst the company did not formally exist until early May 2018, the need to do something to try and salvage some future for heritage rail in the ACT gained impetus from the horrendous break-in and vandalism that occurred at the then closed Museum site over the 2017/18 summer holiday period. This saw many valuable heritage items suffer significant damage and theft, including most notably Steam Locomotive 1210, an ACT listed heritage asset.

A call went out and a group of supporters of the Canberra Railway Museum started a fund to put a new entity in place to take over the Museum and to work with the Liquidator to protect and, as much as possible, save these valuable assets. Whilst the funds raised were never paid to Capital Region Heritage Rail, it is still appropriate to record them here:

- Total funds raised and lodged in a Solicitors trust account \$8,050
- Legal costs to establish a structure and company \$7,260
- Registration and other Government fees \$ 790

With the approval of the Liquidator of the previous Society, arrangements were made for volunteers to again be able to access the Kingston Museum site, initially for the specific purpose of providing care and maintenance for both the site and the valuable heritage assets still stored there. This ongoing volunteer commitment had immediate impact with a marked reduction in vandalism as well as an improved presentation of the Museum site.

By May 2018 the company was established with three (3) promoter directors charged with establishing the business prior to the first Annual General Meeting. Much of this work revolved around the various registrations and set-up processes the company needed, such as GST registration, Charity status registration etc. A specialist accounting firm was engaged to provide advice and guidance through this process at a cost of \$2,928. Again, this amount will not appear in the company's accounts as it was paid directly by a supporter.

Your directors believe that the structure put in place has the ability to provide a sound governance platform going forward, provided directors with the necessary mix of skills can be found and that they focus on the strategic oversight role so critical to a modern progressive business.

The first priority of your promoter directors was member recruitment. By the end of June 2018 (the end of company's financial year) 36 members had joined. Over the next 3 months this trend continued, and membership now exceeds 100.

Secondly, your directors engaged with both Government and the Liquidator to pursue the start up objectives of the company as outlined in the Start – Up Business plan and consistent with our charitable purpose. Strictly speaking these activities were in their infancy at the 30 June balance date, but to provide a more complete picture an up to date progress report is shown below.

Thirdly, your directors have moved to improve member’s engagement:

- with the implementation of open and detailed reporting to monthly members meetings;
- the appointment of a newsletter co-ordinator to enhance the distribution of company progress and critical information to members who are unable to attend the monthly meetings; and
- the establishment of a volunteer’s room at the Museum with notice board and other member’s specific enhancements.

Throughout their tenure your Directors’ have maintained a clear focus on the protection of the assets and our people, as well as maintaining strong financial discipline. Work, Health and Safety has been a key part of this focus, with both the broad policy and more detailed site procedures now in place.

While the final transfer of some assets is dependent on the Liquidator obtaining Court approval as part of the finalisation of his work, recent developments have seen the company gain effective control of both the Museum site and the valuable heritage assets. While the long term occupancy of the Kingston site remains to be formalised the message coming from Government is encouraging. The financial position is detailed below.

### OUR OBJECTIVES AND ACTIVITIES

This table provides a snap shot of the company’s progress against its stated objectives.

Initial Objective	Progress against Objective	And so, for Next Year
<b>Establish a sound base for the future Governance of the organisation, consistent with contemporary business and regulatory practice.</b>	Basic structure in place and policy writing underway with finalisation of Asset base nearly resolved.	Maintain and continue to develop detailed policy, procedures and arrangements. Finalise asset base and related arrangements.
<b>Protect and Improve the assets in our care consistent with applicable heritage / regulatory requirements and our future needs.</b>	Protection was our focus and a significant reduction in vandalism has been achieved.	Developing and implementing appropriate conservation plans is an on-going challenge.
<b>Develop a considered public interpretive display and rail-based tour program focusing on the educational and heritage values of our exhibits.</b>	This work is underway but has been delayed due to site / asset uncertainties.	A key focus for the next year.
<b>Provide a safe and rewarding environment in which to grow volunteer involvement and commitment.</b>	Safety has been paramount with a strong WH&S focus and attitudinal change program.	Recent site issues will have an impact and need to be addressed
<b>Increase and improve awareness of the Canberra Railway Museum by decision makers and the general public in our target area.</b>	Focus has been on engaging key decision makers regarding the site. Recent promotional activities have lifted public profile	The challenge remains to get a strong marketing plan in place focused on the Museum’s future, not the events of the past.
<b>Establish strategic alliances with kindred groups and businesses important to our future.</b>	Growing sector co-operation and recognition in a difficult environment.	These will become more important as we move forward.

**FINANCIAL REPORT BY DIRECTORS**

Activity during the Financial year under report (to 30 June 2018) was low due to the Company only being registered on 2nd May 2018 and only trading for 1 month during the year under report.

The initial results were never the less encouraging with a strong flow of new membership applications, many of which included donations.

Your Directors are pleased to submit these financial accounts of Capital Region Heritage Rail Limited for the Financial year to 30 June 2018 for approval of the members.

Directors

The names of the Directors at the date of this financial report are:

- John Cheeseman
- Richard Robinson
- Glenn Bridgart

Principal Activities

The main activity of the company is the operation of the Canberra Railway Museum. However, to the end of 2017/8 financial year the principal activity was the setting up of the company and the enrolment of members.

Significant changes

This being the first year of operation, significant changes with past years are not relevant. Post balance date significant changes can be expected as the company moves towards its principal objective of re-opening the Canberra Railway Museum

Deductible Gift Recipient Status

Is not yet approved by the Australian Tax office due to the current management not meeting the “responsible persons” criteria required under tax ruling 95/27.

Operating Results

The company returned an operating profit from its ordinary activities for the year ended 30 June 2018 of \$5,424.11. These funds were retained by the company. The issue of Dividends is prohibited by the company’s constitution.

Signed in accordance with a resolution of the Directors passed on

(signed J Cheeseman) ..... John Cheeseman – Director

(signed R Robinson) ..... Richard Robinson - Secretary

**STATEMENT BY DIRECTORS OF THE COMPANY**

The Directors believe the company is a non-reporting entity, therefore the accounts are considered special purpose financial statements.

In the opinion of the Directors the Income and Expenditure Statement and Statement of Financial Position:

1. Presents fairly the financial position of Capital Region Heritage Rail Limited as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors passed on

(signed J Cheeseman)..... John Cheeseman – Director

(signed R Robinson) ..... Richard Robinson - Secretary

## AUDITOR'S REPORT

The Directors note that the turnover of the company is below the threshold set by both the Charities and Not for Profit Commission and by the Corporations Act that requires an auditor's report. However, the Directors believe it is appropriate to submit the financial statements to an independent audit. This is detailed below.

### Capital Region Heritage Rail Ltd

#### Independent Audit Report to the Members

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##### Scope

I have audited the attached financial report, being a special purpose financial report comprising the Statement by Members of the Committee and Statement of Financial Position for the year ended 30 June 2018 of Capital Region Heritage Rail Ltd. The Committee is responsible for the financial report and has determined that it is appropriate to meet the needs of the members. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of Capital Region Heritage Rail Ltd. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with the Australian Auditing Standards. These procedures have been undertaken for an opinion whether, in all material respect, the financial report is presented fairly and is consistent with my understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

##### Audit Opinion

In my opinion the financial report presents fairly the financial position of Capital Region Heritage Rail Ltd as at 30 June 2018 and the results of its operations for the year then ended.

Signed on 15 October 2018



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Amanda Sheaves

22 Kulgera Street, Hawker ACT 2614

## FINANCIAL STATEMENTS

### Profit and Loss from 2 May 2018 to 30 Jun 2018

Description	Amount
Revenue and Gains	
Revenue	
Donations	2,659.40
Interest received	0.09
Membership - CRHR	2,760.00
Other revenue	0.32
Surcharge - PayPal Income	4.30
Surcharge - Postage Income	0.00
Revenue Total	5,424.11
Gain	
Gain Total	0.00
Comprehensive Income	
Comprehensive Income Total	0.00
Cost of Goods Sold	
Cost of Goods Sold Total	0.00
Revenue and Gains Total	5,424.11
Expenses and Losses	
Expense	
Expense Total	0.00
Loss	
Loss Total	0.00
Other	
Other Total	0.00
Expenses and Losses Total	0.00
Equity Movements	
Contribution to Equity	
Contribution to Equity Total	0.00
Distribution from Equity	
Distribution from Equity Total	0.00
Equity Movements Total	0.00
Total Profit and Loss and Equity Movement	5,424.11

## Balance Sheet as at 30 Jun 2018

Description	Amount
<b>Net Assets</b>	
<b>Assets</b>	
Cash	5,644.11
Accounts Receivable	80.00
<b>Assets Total</b>	<b>5,724.11</b>
<b>Liabilities</b>	
Accounts Payable	0.00
Membership - ACT HRH	-300.00
Tax: GST Free Sale	<u>0.00</u>
Tax: GST Not Applicable	<u>0.00</u>
<b>Liabilities Total</b>	<b>-300.00</b>
<b>Net Assets Total</b>	<b>5,424.11</b>
<b>Equity</b>	
<b>Equity</b>	
Retained Earnings	5,424.11
<b>Equity Total</b>	<b>5,424.11</b>
<b>Equity Total</b>	<b>5,424.11</b>

## Notes to the Financial Statements

These financial statements are for Capital Region Heritage Rail Limited as an individual entity, incorporated and domiciled in Australia.

Capital Region Heritage Rail Limited (the "Company" or "CRHR") is a company limited by guarantee and is a not-for-profit, registered charity.

These financial statements were authorised for issue on 23rd October 2018 by the Directors of the Company.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members.

The Directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting.

## Cash

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

## Comparative Figures

Comparative Figures where required by Accounting Standards are not available as the company commenced trading during the current financial year.

## Critical Accounting Estimates and Judgements

Critical Accounting Estimates and Judgements. The Directors evaluate estimates and judgements incorporated into the financial statements 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 company.

## Income Tax

No provision for income tax has been raised as Capital Region Heritage Rail Limited is exempt from income tax.

## Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

## Accounts receivable

Accounts receivable include amounts due from donors. 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.

## Membership fees

The Company collects membership fees on behalf of ACT Heritage Rail Holdings Limited under a commercial arrangement. This amount is included as Revenue for the company. Such fees are remitted to ACT Heritage Rail Holdings Limited upon receipt of a tax invoice. At balance date no such tax invoice had been received. Any amount held but not remitted is shown as a current Liability of the company.

## 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.

## Future Accounting Policies

At balance date the Company had not finalised additional accounting Policies due to the limited trading scope in the first financial year of operation. Development of such policies is an on-going consideration of the Directors.

## Related Parties Transactions

- a) Key Management Personnel were not employed during this year.
- b) No payments were made to other related Parties during this year.
- c) No payments were made to Directors during this year.

**ACKNOWLEDGMENTS & THANK YOU****Corporate & community partners**

Transport Heritage NSW Ltd

Eddie Senatore Advisory

Deloitte Canberra

Chamberlains Law Firm

Not for Profit Accounting Specialists

Slattery Auctioneers

Eastlakes Football Club

ACT Government – Environment, Planning and Sustainable Development Directory

David Sommerville

**CONTACT US**

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