



Oberon Tarana Heritage Railway Inc.

ABN 98 107 506 208

ANNUAL REPORT

For the year ending 31 January 2012

President's Report
for the year ended 31 January 2012

This year has been a very successful year for OTHR, and listed below are a few of the major things that have happened during the year.

The Maritime, Mining & Power Credit Union, our first sponsor/ partner came on board. We hope this is the first of many milestones in funding. We are also very grateful to Mawhood Brothers Supa IGA who for the last 3 years has directed to us donations from their community chest, totalling a staggering \$15,809.15.

Through the winter months we have run wood raffles every fortnight in the main street on a Saturday morning which has been a successful campaign in earning us funds and promoting our project to the locals in Oberon. Also, now that we have the semblance of rolling stock in the station yard we have been showing it off to many groups and hosting catering functions in and around the carriages as fund raisers. Congratulations to our catering team.

The end-platform carriages went to Sydney's White Bay where they were used in the latest filming of the story of "The Great Gatsby" in November 2011. Both carriages were repainted externally before being returned to Oberon and on their return they were placed at the Station platform.

A major milestone during the year was getting the paper work in place to allow the 73 class locos to be moved within the station yard under their own power. This enabled us to line the locomotives up with the carriages at the station platform. This was the first locomotive movement at Oberon Station for 46 years. We still have some ways to go before this can become a regular thing however with much to be done before getting our next level of ITSR accreditation.

We went during the year to Coolah to inspect the disused rail sidings, and are now negotiating the dismantling of the points and rails and transporting them back to Oberon. The points and rail there will be used for the construction of lines into our planned rolling stock shed, and installing a run-around loop at the Hazelgrove siding. We were donated several truck loads of sleepers and some rail from Railcorp for which we are very grateful, and the approvals for the rolling stock storage shed have been acquired and construction has started. The shed is due to be completed by June 2012.

The preparation of the road crossing at Albion Street is progressing with negotiations with the Oberon Council and its Traffic Committee continuing. The turnover of several senior staff members at the Oberon Council in the last year has unfortunately delayed the installation of these crossings longer than we'd hoped.

A big restoration project during the year was the "S" truck that we have at Oberon on behalf of the Office of Rail Heritage. It has been stripped down to bare metal and rebuilt by a group from Conservation Volunteers with funding from Railcorp. The project is now complete and the volunteers received an award from the Office of Rail Heritage for their fine work.

During the year Margaret and Bob Connors moved out of the area. They had both been vigorously involved with OTHR almost from the beginning. We wish them well in their new life in the Newcastle district.

It's been a pleasure and a challenge to lead the group over the past year, and I look forward to more great things happening for OTHR in the coming year.

Tim Arnison
President

Public Officer's Report
for the year ended 31 January 2012

Not a great deal has been achieved in the year 2011/12 in finalising legal matters.

Rail Corridor Lease:

The transfer of the rail corridor lease for the section Oberon to Hazelgrove from the Oberon Council is still pending the survey of the juxtaposition of the rail track to the walking/cycling track. Discussions have been held with the new council engineer and the matter is progressing, albeit it slowly.

The lease for the remainder of the rail corridor from Hazelgrove to Tarana is expected to be finalised when the above transfer is effected.

Level Crossing Agreements:

Discussions have recently been held with the Oberon Council on the finalisation of Interface Agreements for the operation of the level crossings. The Council is involved in the crossings at Albion Street, Lowes Mount Road, Clover Lane, the Tip Road and Black Bullock Road at Hazelgrove. The Council has reviewed the legal agreements and is satisfied with their format. The Risk Assessment has to be revised to incorporate their requirements.

The Albion Street and Lowes Mount crossings are a major concern and the Council has recently advised that the operation of the crossings has to be referred to the Traffic Committee for determination. This committee involves RTA and Council officers. The Albion Street crossing is very close to the roundabout and some type of warning notice may be required on all approaches to the roundabout.

No action has been taken on the private use Interface Agreements with local landowners pending the review of the Risk Assessments by the Council.

Refurbishment of "S" Truck

Early in the year a work programme was developed for the complete refurbishment of the "S" truck. This required the development of a programme of work, the location of supplies, particularly timber, and estimate of cost. We received to go ahead and the release of funds by the Office of Rail Heritage. Heritage Volunteers carried out the physical work and did a particularly fine job. These Heritage Volunteers, (except one), became members of OTHR.

Graham Parker
Public Officer

Track Manager's Report
for the year ended 31 January 2012

First I would like to thank all those who participated at working Bee's through the last year. Most of the year was spent in or around the Station yard. A few things that took place were the erection of the Semaphore "Signal Pole" (even though it is not quite right it looks the part), and the frame B "Points at Station Platform" was totally overhauled and brought to operational tolerances and now works very well.

Sleeper replacement at the southern end of the yard was brought up to a standard acceptable to relocate both locos to in front of the Station building, as was other sections of the yard. The section of line that was required to relocate both locos was certified and only needed a few small items to be fixed so the move could take place. Our Fettlers must be doing something right! Well done lads!

Possibly the most visible thing to be returned to the yard was the erection of the Buffer Stop at the Southern Terminus which is painted up and looking great with lights and all.

Also during the year I had an involvement with the Conservation Volunteers Australia in conjunction with the Office of Rail Heritage in the restoration of the S Truck that now takes place under the

restored Station Crane. The S Truck restoration also won an award out of about 12 NSW rail projects, so once again - job well done!

This upcoming year will see large changes around the station yard and also Hazelgrove siding. The construction of the Rolling Stock Shed has begun as soon as this is complete one road will be laid into the shed enabling us to get the 2 Open End Platform carriages under cover.

A trip to Coolah early in the year to bring back at least a left and right hand set of points so as to be able to restore Hazelgrove siding and begin development work at the siding.

Once again thanks every one for your help and support during the year.

Peter Culley
(Your Grumpy Track Manager)

Systems Manager's Report for the year ended 31 January 2012

Another exciting year in the System Managers role still trying to come to grips with how much work I have let myself in for.

The highlight of the year - getting an exemption to our accreditation that allowed us to move the class 73 diesels from their original "craned-in" position to the station in time for the Highlands Steam Fair. Took 12 months but we got there! Other actions undertaken during the year:

1. Rewrote Asset Management Policy and had it approved
2. Rewrote Competency Policy
3. Wrote track maintenance standards for our line
4. Attended Office of Rail Heritage meeting in Maitland where I presented OTHR. Made useful contacts and obtained lots of Safety Management Systems information which can be used to refine our own documentation
5. Wrote the Annual Safety Report which was accepted by ITSR
6. OTHR had no notifiable safety issues during the year.
7. Produced competency badges for all track workers
8. Survived an audit from ITSR with a medium amount of damage which will result in a lot of writing for this year.
9. Updated the web site with revised SMS documents.
10. Rewrote or created numerous SOP's and policy documents for the use of vehicles on the line.
11. Attended all the committee meetings

Ian Davis
System's Manager

Fundraising Officer's Report for the year ended 31 January 2012

Our fundraising efforts raised almost \$7,500 for OTHR last year. It is clear what a vital part these activities of holding raffles, trivia nights, etc play in the raising of funds for OTHR. I would like to offer my thanks to the dedicated band of helpers who work so tirelessly in all weathers to raise these funds.

I hope we continue to be as successful in the future, perhaps with a little more support from other members.

Lorraine Fielding
Fundraising Officer

Secretary's Report
for the year ended 31 January 2012

I can fully appreciate Margaret Conners (whose shoes I stepped in to at the beginning of the year) not having enough time to devote to her Lavender Farm with the hours required by the OTHR project! May I congratulate Margaret on her work over the past years for OTHR, and hope that I can maintain the professionalism that OTHR has become known for under her watch.

During the last year, your secretary has emptied & filled the mail box numerous times, expended copious amounts of bandwidth firing emails in all directions, and tried to keep some semblance of organisation within our meeting agendas. I must extend my sincere thanks to our minute secretary Lyndle Hawkes, who has done a fabulous job in taking the minutes at all of our meetings (not having missed one of our 22+ meetings during the 2011/12 year), and being enthusiastic about making some changes to the format of the minutes.

I have also managed the OTHR website and Facebook pages which I hope provides useful information about what's happening. We extend a big thank you to Julie Stott (clicknetoz.com) for donating the hosting of our website, and lots of her time once again this year. The OTHR website averaged about 5,000 hits per month during 2011, and the Facebook page which is relatively new, now has 63 followers. If any of our members has some social media development skills and ideas I'd love to hear from them.

Our membership is currently sitting at 283 financial members, and I am keen to improve our communication to our membership and find different ways to engage them to the benefit of our heritage rail project. Our Publicity Officer, Col Bembrick has done a great job in getting an informative newsletter out to our members each month and we encourage all input and feedback on the content of our newsletter.

I am really excited (and yes, I'll admit a bit daunted) by the vision that OTHR has for heritage rail in Oberon. There is so much potential...and so much work to do to realise it. As we progress the project the needs and skills required of the group will start to change. We will particularly have a need for people on the ground with management & planning skills and I urge all our members to consider what they may be willing to contribute.

I must also mention Kira Simmons, Chartered Accountant, who voluntarily audited our financial records again this year. Kira's thorough auditing and Marjorie Webb's hard work as our treasurer means we are very confident in presenting the attached financial report for the year to our members.

Kylie Moorhead
Secretary



Oberon Tarana Heritage Railway Inc.

Annual Statement of Financial Performance

(Statement of Income & Expenditure)

For the year ending 31-01-2012

2010	2011		Note	CURRENT YEAR
\$	\$			\$
REVENUE				
19,736.84	11,840.63	Donations Received (Cash)	2	12,129.19
-	5,000.00	Donations Received (in Kind)	2	6,677.60
1,131.00	392.00	Fuel Tax Credit Received		754.00
78,619.31	40,603.04	Fundraising Income	3	9,460.90
7.26	397.51	Interest Received		428.15
2,209.06	3,327.28	Membership Income		2,639.19
480.50	2.98	Miscellaneous Income	4	15,000.00
-	-	Sponsorship Received		2,500.00
2,000.00	500.00	Subsidies & Grants	5	70,547.58
104,183.97	62,063.44	Total Revenue		120,136.61
EXPENDITURE				
180.00	-	Advertising		-
21.45	14.35	Bank Fees & Charges		60.99
1,798.50	1,065.09	Catering Expenses		1,023.09
1,211.35	2,699.43	Depreciation Expense		3,165.83
210.00	112.00	Dues & Subscriptions		213.00
-	13,430.00	Freight Expense		10,807.27
2,879.26	2,398.27	Fuel & Oil Purchases		2,356.88
42,298.63	26,920.98	Fundraising Expense	3	1,991.66
-	-	Gifts, Prizes & Trophies		54.55
3,145.45	6,558.02	Insurance	6	6,767.67
300.00	1,328.50	Legal & Accounting		-
3,335.28	2,263.62	Materials & Supplies		13,652.06
157.59	629.67	Postage & Shipping		816.57
97.19	1,270.28	Printing, Stationery & Computer Supplies		777.19
1,079.20	966.73	Services, Leases & Utilities		2,270.70
6,677.60	-	Sleeper Purchases		-
2,976.15	-	Staff Amenities & Training		-
181.77	609.01	Sundry Expenses		-
1,634.21	2,326.65	Vehicles & Maintenance		670.91
68,183.63	62,592.60	Total Expenditure		44,628.37
36,000.34	(529.16)	NET SURPLUS (OUTLAY)		75,508.24



Oberon Tarana Heritage Railway Inc.

Annual Statement of Financial Position

(Balance Sheet)

For the year ending 31-01-2012

2010	2011		Note	CURRENT YEAR
\$	\$			\$
		Current assets		
34,635.27	13,260.68	Cash assets - General Account 10049851		56,420.34
8,331.94	332.53	Cash assets - Gift Account 10060858		1,535.08
6,000.00	6,388.81	Interest Bearing Deposit		6,812.24
-	-	Paypal Transaction Account		236.61
50.00	50.00	Petty Cash Float		50.00
-	598.00	Receivables	7	23,689.58
-	720.00	Inventories		48.00
49,017.21	21,350.02	Total Current Assets		88,791.85
		Non-Current Assets	8	
-	-	Capital Work in Progress		1,535.60
15,275.17	17,155.36	Property, Plant & Equipment		17,591.75
	23,985.02	Rolling Stock		23,100.98
15,275.17	41,140.38	Total Non-current assets		42,228.33
64,292.38	62,490.40	TOTAL ASSETS		131,020.18
		Current Liabilities		
7,557.96	6,677.60	Payables		-
-	-	Provisions		-
(200.76)	(593.22)	GST Liabilities		(894.05)
-	-	Other		-
7,357.20	6,084.38	Total Current Liabilities		(894.05)
-	-	Non-Current Liabilities		-
-	-	Total Non-Current Liabilities		-
7,357.20	6,084.38	TOTAL LIABILITIES		(894.05)
56,935.18	56,406.02	NET ASSETS		131,914.23
		Accumulated Funds		
-	-	Allocated Reserves		-
56,935.18	56,406.02	Accumulated funds		131,914.23
56,935.18	56,406.02	TOTAL ACCUMULATED FUNDS		131,914.23

OBERON TARANA HERITAGE RAILWAY INC.

Notes to the Financial Report For the year ended 31-01-2012

NOTE 1: BASIS OF ACCOUNTS

The Oberon Tarana Heritage Railway Inc (OTHR) is an incorporated organisation which in the Officer's opinion 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 for the purposes of complying with the New South Wales Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations.

OTHR is a Deductible Gift Recipient authorised by the ATO, and also holds an Authority to fundraise under the Department of Gaming & Racing (NSW).

This financial report has been prepared on an accruals basis, and the following is a summary of material accounting policies adopted by OTHR in the preparation of this report.

a) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are brought to account at cost, less accumulated depreciation where applicable. Where the assets are donated to OTHR, they are brought to account at the recoverable value, based on expected net cash flow which would be received from the asset's disposal. These values are reviewed by the director's annually.

Depreciation: the depreciable amount of all fixed assets is done on a straight line value basis over their estimated useful lives. Heritage Items for which OTHR has adopted a curatorial and preservation policy, and which have a long and indeterminate useful life are not depreciated.

b) DISPOSAL OF SURPLUS

Annual Surplus: The organisation's Constitution prohibits the distribution of any surplus to Members. All income must be applied solely towards the promotion of the objects of OTHR.

Surplus on Liquidation: as required by the Charitable Fundraising Act 1991, and our Constitution, any assets remaining upon the winding up of OTHR must be applied to the objects or purposes for which they were raised.

c) TAXES

Income Tax:

OTHR was endorsed on 1st July 2005 by the ATO as an income tax exempt charity

Goods and Services Tax:

OTHR is registered for the goods and services tax (GST) applicable from 1 October 2007.

Revenues, costs and assets are recognised net of the amount of GST except:

- i) where the amount of GST incurred is not recoverable from the ATO, it is recognised as part of the cost of acquisition of an asset, or as part of an item of cost; or
- ii) for receivables and payables which are recognised inclusive of GST.

OTHR holds a GST charity tax concession endorsed from 01/10/2007.

OTHR conducts its fundraising activities separately through a non-profit sub-entity for GST purposes.

d) FUNDRAISING ACTIVITIES

Donations and bequests: are returned as income as and only when physically received by OTHR. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act. They are treated as gifts under the tax legislation.

e) DONATED GOODS & SERVICES

Various services are donated to OTHR by our members and the general community. No assessment of the value of those services are included in the accounts.

The value of donations of major items of plant and equipment has been brought to account at their estimated fair market value as donations income, and the item capitalised as required. The various donations received of minor tools and supplies have not been included in these accounts.

NOTE 2: DONATIONS

Significant donations of plant & equipment made to OTHR during the year are listed below. Each item has been brought to account as an asset at its estimated market value at the time of donation and received as Donations Income in the accounts.

Date	Item	Est. Value	Donor
Jan 12	8,347 Railway Sleepers	\$6,677.60	ARTC
	Total donations income	\$6,677.60	

Unsolicited cash donations received during the year are recorded as Donations Income. Major cash donations received are listed below:

Date	Item	Value	Donor
Feb 11	Cash	\$6,925.96	Oberon Supa IGA Community Chest
Mar 11	Cash	3,000.00	John Giblin
Mar 11	Cash	250.00	Rotary Club of Oberon
Various	Cash	<u>1,953.23</u>	Various Amounts > \$250
	Total cash donations income	\$12,129.19	

NOTE 3: FUNDRAISING

\$ 2010	\$ 2011		\$ CURRENT YEAR
670.00	-	Trivia Night	-
-	820.20	Open Days	2,086.85
7,128.72	3,630.19	Annual Clearing Sale	-
-	-	Catering for Groups	648.13
27.27	605.94	Merchandise	230.73
22,661.19	1,292.73	Second Hand Sleeper Sales	98.18
1,080.00	20.00	Sleeper Club Donations	-
4,753.50	7,313.00	Raffle Proceeds	4,405.35
			-
<u>36,320.68</u>	<u>13,682.06</u>	Total Fundraising Net Proceeds	<u>7,469.24</u>

NOTE 4: MISCELLANEOUS INCOME

The \$15,000 received as miscellaneous income is a share of the revenue earned by the use of the end-platform carriages via RTM NSW.

NOTE 5: SUBSIDIES AND GRANTS

Income received as Subsidies and Grants are comprised of the following payments received:

<u>Date</u>	<u>Payor</u>	<u>Amount</u>	<u>Detail</u>
04/04/2011	RTM NSW	\$2,508.00	Reimburse freight costs
30/06/2011	Office of Rail Heritage	\$4,350.00	Reimburse freight costs
07/12/211	NSW State Govt	\$55,000.00	CPB Grant for Rolling Stock Shed
31/01/2012	Office of Rail Heritage	<u>\$8,689.58</u>	Reimburse S-Truck restoration cost
	Total Subsidies & Grants	\$70,547.58	

NOTE 6: INSURANCE

<u>Coverage</u>	<u>Payee</u>	<u>Amount</u>	<u>Detail</u>
Paid 11/2/2011	Insurics	\$1,446.53	Director's Indemnity Insurance
17/3/11-31/3/2012	Insurics	\$1,923.55	Station Building Insurance
Paid 21/12/2011	Insurics	<u>\$3,397.59</u>	Public Liability & Volunteer Insurance
	Total Insurance	\$6,767.67	

NOTE 7: RECEIVABLES

The following amounts have been brought to account as trade debtors at 31/01/2012:

Payment for these accounts is expected within 30 days.

<u>Coverage</u>	<u>Payee</u>	<u>Amount</u>
31/01/2012	RTM NSW	\$15,000.00
31/01/2012	Office of Rail Heritage	<u>\$8,689.58</u>
	Total Receivables	\$23,689.58

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment items are depreciated on a straight-line basis using the estimated useful life of each item as reviewed by OTHR directors.

Date of Acq'tn	Details	Orig Cost	Opening Bal	Acquisitions	Useful life (yrs)	2011 Dep Amount	Closing Balance
1/08/2006	Portable Container	\$990.00	\$696.71		15	\$66.00	\$630.71
1/03/2007	Air Compressor	\$8,500.00	\$5,237.40		10	\$850.00	\$4,387.40
1/03/2007	Tool Trailer	\$250.00	\$58.08		5	\$50.00	\$8.08
1/03/2007	Fire Tanker Trailer	\$1,200.00	\$892.93		15	\$80.00	\$812.93
1/07/2008	Catering Van	\$500.00	\$370.68		10	\$50.00	\$320.68
1/01/2009	Dometic 60L Fridge	\$1,000.00	\$866.30		15	\$66.67	\$799.63
1/02/2008	Wickham Section Car	\$1,000.00	\$880.00		25	\$40.00	\$840.00
23/09/2009	Grinder	\$110.90	\$95.86		10	\$11.09	\$84.77
21/01/2010	Plinth Crane 5 Tonne *	\$497.50	\$497.50				\$497.50
1/02/2010	Case IH 848 Tractor	\$5,000.00	\$4,584.47		12	\$416.67	\$4,167.81
23/01/2010	Lawn Mower	\$454.55	\$407.98		10	\$45.46	\$362.52
23/01/2010	Impact Wrench	\$1,027.27	\$922.01		10	\$102.73	\$819.29
23/01/2010	Angle Grinder	\$436.36	\$391.65		10	\$43.64	\$348.01
17/02/2010	Security System	\$454.55	\$367.87		5	\$90.91	\$276.96
24/02/2010	Video Monitor for Security System	\$227.27	\$184.80		5	\$45.45	\$139.35
16/06/2010	Printer Samsung Laser MF SCX-4824FN	\$454.55	\$397.51		5	\$90.91	\$306.60
21/09/2010	Safety Fencing	\$327.27	\$303.60		5	\$65.45	\$238.15
21/06/2011	Lawn Mower	\$2,718.17		\$2,718.17	10	\$166.81	\$2,551.36
Total Plant & Equipment		\$25,148.39	\$17,155.36	\$2,718.17		\$2,281.78	\$17,591.75

Date of Acq'tn	Details	Orig Cost	Opening Bal	Acquisitions	Useful life (yrs)	2011 Dep Amount	Closing Balance
30/04/2010	2 x 73 Class Diesel Locomotives	\$22,101.00	\$21,432.52		25	\$884.04	\$20,548.48
21/01/2010	Arnotts S-Truck Serial 14698 *	\$1,060.00	\$1,060.00				\$1,060.00
21/01/2010	Cattle Wagon Serial W-1052 *	\$497.50	\$497.50				\$497.50
21/01/2010	Goods Wagon Serial 12815 *	\$497.50	\$497.50				\$497.50
21/01/2010	Goods Wagon Serial L-987 *	\$497.50	\$497.50				\$497.50
Total Rolling Stock		\$24,653.50	\$23,985.02			\$884.04	\$23,100.98

* *Heritage Items for which OTHR has adopted a curatorial and preservation policy, or which have a long and indeterminate useful life are not depreciated.*

REPORT TO THE MEMBERS OF
OBERON TARANA HERITAGE RAILWAY INC.
FOR THE YEAR ENDING 31 JANUARY 2012

I have reviewed the books and records of the Oberon Tarana Heritage Railway Inc. (OTHR) for the period from 1 February 2011 to 31 January 2012.

It was not practicable to establish effective accounting controls over receipts from all sources prior to these being banked. My review relating to such income was limited to ensuring that the amounts banked are recorded in the financial statements.

It is my view, subject to the limitation referred to in the preceding paragraph, that the financial statements are a true and fair representation of the transactions throughout the year and the financial position at year end.



Kira Simmons
Chartered Accountant

Dated this 2nd Day of March 2012.