Rolling Stock (Victoria-VL) Pty Limited and its Controlled Entities

ABN 23 093 317 992

Financial report
for the year ended 30 June 2026

Contents

Directors' report 3
Auditor's Independence Declaration 5
Auditor General's independence declaration 6
Consolidated operating statement for the year ended 30 June 2026 7
Consolidated balance sheet as at 30 June 2026 8
Consolidated statement of changes in equity for the year ended 30 June 2026 9
Consolidated statement of cash flows for the year ended 30 June 2026 11
Notes to the financial statements for the year ended 30 June 2026 12
1. Summary of material accounting policies 12
2. Auditors' remuneration 18
3. Income Tax 19
4. Plant and equipment 20
5. Contributed equity 22
6. Reserves 23
7. Commitments 23
8. Contingent assets and contingent liabilities 23
9. Notes to the statement of cash flows 24
10. Financial Instruments 25
11. Related party transactions 25
12. Economic dependency 26
13. Events occurring after the reporting period 26
Directors' declaration 27
Independent Auditors report 28

Directors' report

The Directors present their report together with the financial report of Rolling Stock (Victoria-VL) Pty Limited ("the Company") and of the Consolidated Entity, being the Company and its controlled entities, for the financial year ended 30 June 2026 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Company particulars

Rolling Stock (Victoria-VL) Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its registered office is Level 8, 1010 La Trobe Street, Docklands, Victoria 3008.

The Company employed no employees as at 30 June 2026 (2025: Nil).

Principal activities

The principal activity of the Consolidated Entity during the course of the financial year was the leasing of rolling stock to V/Line Corporation on behalf of the State.

Review of result and operations

The loss after tax of the Consolidated Entity for the year ended 30 June 2026 was ($8,767,090) (2025: ($7,286,081)). Rolling Stock (Victoria-VL) Pty Limited is a dormant company, which consolidates Rolling Stock Holdings (VL-1) Pty Ltd, Rolling Stock Holdings (VL-2) Pty Ltd and Rolling Stock Holdings (VL-3) Pty Ltd. The consolidated entity holds rolling stock, which attracts a depreciation charge and a related tax benefit. The only transactions that occur are audit fees, which are reimbursed in the following reporting period as other income.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

State of affairs

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

There were no other significant changes in the Consolidated Entity's state of affairs that occurred during the financial year under review.

Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

Events subsequent to the end of the reporting period

No events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity and the Company, the results of those operations, or the state of affairs of the Consolidated Entity and the Company in future financial years.

Likely developments

The Directors are not aware of any likely future developments that may significantly impact on the operations and/or financial performance of the Company.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Indemnification and insurance of Directors and Officers

Since the end of the previous financial year, the Company (through its ultimate holding Company, Victorian Rail Track) has paid insurance premiums of $17,006 in respect of Directors and Officers liability and legal expenses insurance contracts, for current and former Directors and Officers, including Directors and Officers of the Company and its controlled entities.

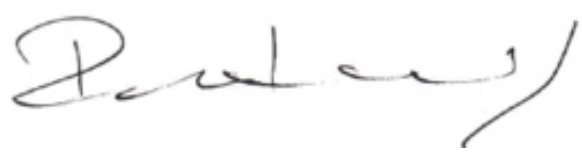
The Company and its controlled entities have not insured or indemnified any person who is or has been an Auditor of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is enclosed.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 3 September 2026



Director

Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, Rolling Stock (Victoria-VL) Pty Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Rolling Stock (Victoria-VL) Pty Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Consolidated operating statement for the year ended 30 June 2026

	Note	Consolidated		Company	
		2026	2025	2026	2025
Revenue from continuing operations					
Other Revenue		82,050	79,200	-	-
Total revenue		**82,050**	**79,200**	**-**	**-**
Expenses from continuing operations					
Depreciation and amortisation expense	4	(9,585,416)	(7,454,506)	-	-
Other expenses		(84,900)	(82,050)	-	-
Total expenses		**(9,670,316)**	**(7,536,556)**	**-**	**-**
Loss from continuing operations before income tax		**(9,588,266)**	**(7,457,356)**	**-**	**-**
Income tax benefit	3(a)	821,176	171,275	-	-
Loss from continuing operations after income tax		**(8,767,090)**	**(7,286,081)**	**-**	**-**
Other comprehensive (loss)/income					
Items that will not be reclassified to profit and loss					
Fair value revaluation of plant & equipment (net of tax)	6(a)	-	23,710,766	-	-
Total comprehensive loss for the year attributable to owners of the parent entity		**(8,767,090)**	**16,424,685**	**-**	**-**

The Consolidated operating statement should be read in conjunction with the accompanying notes to the financial statements.

Consolidated balance sheet as at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $	Company 2026 $	Company 2025 $
ASSETS					
Current assets					
Other financial assets		75	75	-	-
Total current assets		**75**	**75**	**-**	**-**
Non-current assets					
Investments in subsidiaries		-	-	6,833,526	6,833,526
Plant & equipment	4	142,814,584	152,400,000	-	-
Total non-current assets		**142,814,584**	**152,400,000**	**6,833,526**	**6,833,526**
TOTAL ASSETS		**142,814,659**	**152,400,075**	**6,833,526**	**6,833,526**
LIABILITIES					
Current liabilities					
Trade & other payables		84,900	82,050	-	-
Total current liabilities		**84,900**	**82,050**	**-**	**-**
Non-current liabilities					
Deferred tax liabilities	3(e)	23,437,322	24,258,498	-	-
Total non-current liabilities		**23,437,322**	**24,258,498**	**-**	**-**
TOTAL LIABILITIES		**23,522,222**	**24,340,548**	**-**	**-**
NET ASSETS		**119,292,437**	**128,059,527**	**6,833,526**	**6,833,526**
EQUITY					
Equity attributable to equity owners of the parent					
Contributed equity	5	6,833,536	6,833,536	6,833,526	6,833,526
Reserves	6(a)	61,573,804	61,573,804	-	-
Current income tax reserve	6(b)	39,544,666	39,544,666	-	-
Retained earnings		11,340,431	20,107,521	-	-
NET WORTH		**119,292,437**	**128,059,527**	**6,833,526**	**6,833,526**

The Consolidated balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2026

	Note	Contributed equity	Asset revaluation surplus	Current income tax reserve	Retained earnings	Total equity
		$	$	$	$	$
CONSOLIDATED						
2026						
Balance as at 1 July 2025		**6,833,536**	**61,573,804**	**39,544,666**	**20,107,521**	**128,059,527**
Net loss for the year		-	-	-	(8,767,090)	(8,767,090)
Other comprehensive income (net of tax)		-	-	-	-	-
Balance as at 30 June 2026		**6,833,536**	**61,573,804**	**39,544,666**	**11,340,431**	**119,292,437**
2025						
Balance as at 1 July 2024		**6,833,536**	**37,863,038**	**39,544,666**	**27,393,601**	**111,634,841**
Net loss for the year		-	-	-	(7,286,080)	(7,286,080)
Other comprehensive income (net of tax)	6(a)	-	23,710,766	-	-	23,710,766
Balance as at 30 June 2025		**6,833,536**	**61,573,804**	**39,544,666**	**20,107,521**	**128,059,527**

The Consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2026 (continued)

	Note	Contributed equity	Asset revaluation surplus	Retained earnings	Total equity
		$	$	$	$
COMPANY					
2026					
Balance as at 1 July 2025		**6,833,526**	**-**	**-**	**6,833,526**
Net loss for the year		-	-	-	-
Transactions with owners in their capacity as owners:					
Contributions by owners		-	-	-	-
Balance as at 30 June 2026		**6,833,526**	**-**	**-**	**6,833,526**
2025					
Balance as at 1 July 2024		**6,833,526**	**-**	**-**	**6,833,526**
Net loss for the year		-	-	-	-
Other comprehensive income		-	-	-	-
Transactions with owners in their capacity as owners:					
Contributions by owners		-	-	-	-
Balance as at 30 June 2025		**6,833,526**	**-**	**-**	**6,833,526**

The Consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Consolidated statement of cash flows for the year ended 30 June 2026

	Note	CONSOLIDATED		COMPANY	
		2026	2025	2026	2025
Cash flows from operating activities					
Cash receipts in the course of operations		82,050	79,200		
Cash payments in the course of operations		(82,050)	(79,200)	-	-
Net interest paid		-	-	-	-
Net cash flow from operating activities	9	**-**	**-**	**-**	**-**
Net increase/(decrease) in cash held		-	-	-	-
Cash at the beginning of the financial year		-	-	-	-
Cash at the end of the year		**-**	**-**	**-**	**-**

The Consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements for the year ended 30 June 2026

1. Summary of material accounting policies

(a) General information

Rolling Stock (Victoria –VL) Pty Limited is a company limited by shares that is incorporated and domiciled in Australia.

The financial report includes the separate financial statements of the Company and the Consolidated Entity, which comprises the Company and its controlled entities as outlined in Note 11 Related party transactions.

The following is a summary of the material accounting policies adopted by the Company and the Consolidated Entity in the preparation of the financial report.

(b) 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) issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company and the Consolidated Entities are not-for-profit entities for financial reporting purposes under Australian Accounting Standards and *FRD 108 Classification of entities as for-profit*.

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Change in accounting policies

There have been no changes in accounting policies during the financial year.

Statement of compliance with the Corporations Act 2001

The Company has elected to apply Class Order 10/654 which allows companies, registered schemes and disclosing entities that present consolidated financial statements to also present Parent Entity financial statements for the year ended 30 June 2026 and 30 June 2025.

Significant accounting estimates and judgements

In the application of the Consolidated Entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following significant judgements and estimates have been made by management in the preparation of the financial statements:

(i) Estimation of useful lives

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(ii) Operating lease commitments - Consolidated Entity as lessor

AASB 16 Leases (AASB 16)

AASB 16 Leases is effective for annual reporting periods commencing on or after 1 January 2019. The Consolidated Entity adopted the AASB 16 for the reporting period beginning 1 July 2019 using the full retrospective method of transition. Consequently, the impact of the new standard has been calculated as if the standard had always applied, subject to the practical expedients permitted on transition.

Previously, the Consolidated Entity accounted for leases in accordance with *AASB 117 Leases* and AASB Interpretation 4 Determining whether an arrangement contains a lease. The Consolidated Entity has elected to apply the grandfathering practical expedient on transition to AASB 16. This means that for arrangements entered into before 1 July 2019, the Consolidated Entity has not reassessed whether it is, or contains, a lease in accordance with the new AASB 16 lease definition. Consequently, existing contracts as at 1 July 2019 continued to be assessed per the previous accounting policy described below in accordance with AASB 117 and AASB Interpretation 4. Given this, the transition and new requirements of AASB 16 the new accounting for leases under AASB 16 only apply to arrangements entered into, or modified after, 1 July 2019. For the year ending 30 June 2026 there have no modifications to the existing leases and therefore the accounting treatment remains unchanged.

Lessor accounting in accordance with AASB 16 is substantially unchanged from the requirements pursuant the previous standard. Lessors continue to classify all leases using the same classification principles pursuant to the previous standard. In contracts where the Consolidated Entity is a lessor, the Consolidated Entity determines whether the lease is an operating lease or finance lease at the inception of the lease. The Consolidated Entity has entered into leases on its infrastructure and has continued to classify the leases as operating leases.

(iii) Fair Value

The last independent valuation of plant and equipment was at 30 June 2025 by the Valuer-General Victoria. The fair value was determined on the basis of current replacement cost as outlined in Note 4 Plant and equipment. An impairment analysis on these plant and equipment assets has been carried out annually with no impairment noted. Fair value measurement disclosures in line with *AASB 13 Fair Value Measurement* are outlined in Note 4(i) Fair value hierarchy.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company as at 30 June 2026 and the results of all Controlled Entities for the year then ended.

Controlled entities

The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of Controlled Entities are included in the consolidated financial statements from the date control commences until the date control ceases. Investments in subsidiaries are accounted for at cost in the separate financial statements of the Company.

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred.

(d) Revenue recognition

Revenue that funds delivery of the Consolidated Entity services are transactions that have been determined as revenue from contracts with customers in accordance with *AASB 15 Revenue from Contracts with Customers.*

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Consolidated Entity recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

• Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.

• Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.

• Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Goods and Services Tax (GST)

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

In 2015-16 VicTrack adopted GST grouping for all its controlled entities including Rolling Stock Holdings (Victoria VL) Pty Limited. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of financial position of VicTrack.

Cash flows are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the ATO, except where the amount of GST incurred is not recoverable from the ATO.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(g) Taxation

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except for:

- When the liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets are reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Plant and equipment

Rolling stock assets are recognised initially at cost plus incidental costs attributable to the acquisition and subsequently revalued to fair value less accumulated depreciation and impairment in accordance with the requirements of *AASB 116 Property, Plant and Equipment*. An independent valuation for the rolling stock assets was performed at 30 June 2025 by the Valuer-General Victoria resulting in an increase in value of $33,872,522.

The assessment of indices for 30 June 2026 indicated a movement of less than 10% and hence managerial revaluations were not required.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus net of income tax, except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised in the profit and loss up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the revaluation surplus to the extent of the remaining increments.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets. The rolling stock assets allocated to the Company have useful lives of 25 - 40 years (2025: 25 - 40 years).

(i) Impairment of assets

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that *AASB 136 Impairment of Assets as amended* does not apply to such assets that are regularly revalued.

There are no indicators of impairment of assets at the current reporting date.

(j) Commitments

Commitments include operating and capital expenditure arising from non-cancellable contractual sources and are disclosed at their nominal value inclusive of GST.

(k) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Going concern

The Consolidated Entity made an operating loss after tax for the year ended 30 June 2026 of ($8,767,090) (2025: ($7,286,081)) and at that date had net assets of $119,292,437 (2025: $128,059,527).

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business operations and the realisation of assets and settlement of liabilities in accordance with the normal course of business. The ability of the Consolidated Entity to continue paying its debts as and when they fall due is dependent on existing contractual arrangements continuing to operate as originally intended, whereby DTP makes all payments to the financiers on behalf of the Consolidated Entity with respect to rolling stock previously acquired under finance. This is confirmed by the Letter of Support provided by the DTP dated 15 July 2026 covering the period until 30 September 2027.

On the basis of the above factors, the Directors are of the opinion that the Company and the Consolidated Entity are going concerns and can pay their debts as and when they fall due.

(m) Functional currency

The financial statements are denominated in Australian dollars, which is the Company's and the Consolidated Entity functional and presentation currency.

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of financial position, but are disclosed by way of a note (refer to Note 8 Contingent assets and contingent liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(o) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company has assessed the impact of these new or amended Accounting Standards and Interpretations and their application will not have an impact on the Consolidated Entity.

2. Auditors' remuneration

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
Audit of financial statements (VAGO)	84,900	82,050	13,100	12,450
	84,900	**82,050**	**13,100**	**12,450**

The above audit fees are payable by Rolling Stock Holdings (Victoria) Pty Limited (a related entity) to the Auditor General of Victoria.

3. Income Tax

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
(a) Current Income tax	$	$	$	$
Current income tax benefit	-	-	-	-
Deferred income tax	821,176	171,275	-	-
Total income tax benefit	**821,176**	**171,275**	**-**	**-**
(b) Income tax reconciliation				
Accounting loss before tax	(9,585,416)	(7,454,506)	-	-
Income tax benefit at company tax rate of 30%	2,875,625	2,236,352	-	-
Write off current year losses	(2,054,449)	(2,065,077)		
Total income tax benefit	**821,176**	**171,275**	**-**	**-**
(c) Deferred income tax (revenue)/expense included in income tax expense				
(Increase)/decrease in deferred tax liabilities	821,176	171,275	-	-
Increase/(decrease) in deferred tax assets	-	-	-	-
Total income tax benefit	**821,176**	**171,275**	**-**	**-**
(d) Deferred tax liabilities				
The balance comprises temporary differences amounting to:				
Revaluation of plant & equipment	(23,437,322)	(24,258,498)	-	-
Total deferred tax liabilities	**(23,437,322)**	**(24,258,498)**	**-**	**-**
Net deferred tax liabilities	**(23,437,322)**	**(24,258,498)**	**-**	**-**
(e) Movement in deferred tax assets/(liabilities)				
Opening balance	(24,258,498)	(14,268,016)	-	-
Charged to income tax expense	821,176	171,275	-	-
Charged of equity	-	-	-	-
Under/(over) provided in prior years		-	-	-
Movement in tax losses	-	(10,161,757)	-	-
Closing balance	**(23,437,322)**	**(24,258,498)**	**-**	**-**

4. Plant and equipment

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
Rolling stock at fair value	152,400,000	152,400,000	-	-
Accumulated depreciation	(9,585,416)	-	-	-
Total plant and equipment at net book value	**142,814,584**	**152,400,000**	**-**	**-**

Valuation of Rolling Stock

At the direction of the Minister for Finance, and in line with whole of government reporting, the Consolidated Entity has adopted fair value for plant and equipment assets.

A revaluation was conducted as at 30 June 2025 by the Valuer-General Victoria, an independent valuer. The valuation approach adopted is the current replacement cost method. An impairment analysis on these plant and equipment is carried out annually. The assessment of indices for 30 June 2026 indicated a movement of less than 10% and hence managerial revaluations were not required.

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
Rolling Stock	$	$	$	$
Carrying amount at beginning of year	152,400,000	125,981,983	-	-
Depreciation expense	(9,585,416)	(7,454,506)	-	-
Revaluation increment/(decrement)	-	33,872,522	-	-
Total rolling stock	**142,814,584**	**152,400,000**	**-**	**-**

Fair value measurements

The Company and the Consolidated Entity measure and recognise rolling stock at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses under *AASB 116 Property, Plant and Equipment.*

(i) Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

To provide an indication about the reliability of the inputs used in determining fair value, the Consolidated Entity has classified its rolling stock into the appropriate level of the fair value hierarchy as prescribed under the accounting standards.

No disclosure has been made for the Parent Entity as it does not have any plant and equipment.

The Company's and the Consolidated Entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers in and out of level 3 measurements during the year.

(ii) Valuation techniques used to determine level 2 and level 3 fair values

Recurring fair value measurements

The Company and the Consolidated Entity obtain external, independent valuations for their rolling stock every five years. At the end of each reporting period, management update their assessment of the fair value of the rolling stock, taking into account the most recent independent valuation.

The best evidence of fair value is current prices in an active market for similar assets. Given the lack of an active market for rolling stock, it is not possible to determine the fair value using the market approach. It can be used however as a cross-check methodology where there is market evidence for similar assets.

The rolling stock, which comprises of V'Locity Diesel Multiple Unit (DMU) trains, are valued using the current replacement cost method. This method represents the gross current replacement cost that would be required to replace the service capacity of the current assets. The valuation of rolling stock was determined by reference to an average vehicle price for a comparable local construction. The gross current replacement cost for each vehicle was then depreciated using a diminishing value depreciation profile on the basis of remaining life (using a 25 - 40 year useful life) as a proportion of total useful life to arrive at current replacement cost for each vehicle.

The key inputs under this approach is the contracted price per vehicle determined by reference to that of current local rolling stock orders, and the adopted depreciation assumptions. Given that most of this information cannot be market-corroborated, the fair value estimates in relation to the rolling stock are included in level 3.

There were no changes in significant unobservable inputs from 2026.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 30 June 2026 and 30 June 2025 for recurring fair value measurements:

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
Rolling stock				
Opening balance 1 July	152,400,000	125,981,983	-	-
Depreciation	(9,585,416)	(7,454,506)	-	-
Revaluation increment/(decrement)	-	33,872,522	-	-
Total rolling stock	**142,814,584**	**152,400,000**	**-**	**-**

(iv) Changes in valuation techniques

There were no changes in valuation techniques during the year.

5. Contributed equity

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
Issued and paid up share capital				
6,833,536 ordinary shares, fully paid (2025: 6,833,536)	6,833,536	6,833,536	6,833,526	6,833,526

There were no movements in share capital during the year.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

6. Reserves

(a) Revaluation Surplus

The asset revaluation surplus is used to record increases and decreases in the fair value of plant and equipment to the extent that they offset one another, within the same class of assets.

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
At 1 July	61,573,804	37,863,038	-	-
Revaluation during the year	-	33,872,522	-	-
Income tax	-	(10,161,757)	-	-
At 30 June	**61,573,804**	**61,573,804**	**-**	**-**

(b) Current Income Tax Reserve

The current income tax reserve is used to record current income tax expense not payable due to tax losses available in the VicTrack tax consolidated group. This amount is not available for distribution. VicTrack is the head entity of the tax consolidated group.

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
At 1 July	39,544,666	39,544,666	-	-
Current income tax during the year	-	-	-	-
At 30 June	**39,544,666**	**39,544,666**	**-**	**-**

7. Commitments

There are no capital expenditure commitments as at 30 June 2026 (2025: nil).

8. Contingent assets and contingent liabilities

As at the end of the current and prior period the Directors are unaware of any existing contingent assets and contingent liabilities that would require disclosure within the financial statements.

9. Notes to the statement of cash flows

Reconciliation of net profit to net cash from operating activities

Cash as at the end of the year as shown in the Consolidated statement of cash flows is reconciled to the related items in the Consolidated operating statement as follows:

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	$	$	$	$
Loss for the year after tax	(8,767,090)	(7,286,081)	-	-
Adjustments for non-cash movements:				
Depreciation	9,585,416	7,454,506	-	-
Non cash income tax adjustment	(821,176)	(171,275)	-	-
Change in assets and liabilities				
- Increase/(decrease) in other payables	2,850	2,850	-	-
Net cash flow from operating activities	-	-	-	-

10. Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Consolidated Entity's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes). Such assets and liabilities do not meet the definition of financial instruments in *AASB132 Financial Instruments: Presentation.*

Financial risk management

Management has assessed the Consolidated Entity's exposures to credit risk, liquidity risk and interest rate risk and found none to be relevant.

11. Related party transactions

The ultimate Parent Entity of the Company is Victorian Rail Track (VicTrack), an organisation wholly owned by the Victorian Government.

No amount is owed to the immediate parent company as at 30 June 2026 (2025:nil).

All transactions with related parties were carried out at arm's length under commercial terms and conditions unless otherwise stated.

Interest in controlled entities

Interests in controlled entities are set out below and they have a share capital consisting solely of ordinary shares. The proportion of ownership interest held equals to the voting rights held by the Consolidated Entity. Each controlled entity's principal place of business is also its country of incorporation.

Name	Country of incorporation	Percentage of equity interest held by the Consolidation Entity	
		2026	2025
Rolling Stock (VL-1) Pty Ltd	Australia	100%	100%
Rolling Stock (VL-2) Pty Ltd	Australia	100%	100%
Rolling Stock (VL-3) Pty Ltd	Australia	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Consolidated Entity's financial statements.

Significant Restrictions

There are no significant restrictions over the Consolidated Entity ability to access or use assets, and settle liabilities, of the Consolidated Entity.

Wholly-owned Consolidated Entity transactions

Rolling Stock (VL-2) Pty Ltd and Rolling Stock (VL-3) Pty Ltd form a partnership for the purposes of entering into a rolling stock lease with V/Line Corporation; their respective share in the NEG/V/Line Franchise Lease Partnership is 60% and 40%.

The Company invested $6,833,526 into Rolling Stock (VL-2) Pty Ltd and Rolling Stock (VL-3) Pty Ltd.

Directors

The Directors forms part of the key management personnel of the Company. The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Other key management personnel

Director	Appointment
Jonathan Metcalfe	Chief Executive (part year)
Chris Olds	Chief Executive (part year)
Chris Jones	Acting Chief Executive (part year)

The position of Chief Executive is the Accountable Officer.

The compensation of the Chief Executive is paid by the ultimate Parent Entity.

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

Key management personnel compensation

The Directors and other key management personnel of the company received no remuneration or retirement payments in the financial years ended 30 June 2026 (2025: nil).

Transactions and balances with key management personnel

No Director or other key management personnel have entered into a contract or other transactions with the Company since the end of the previous financial year and there were no contracts or balances involving key management personnel interests existing at year end (2025: nil).

12. Economic dependency

The ability of the Consolidated Entity to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended as outlined in Note 1(l), Going concern. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Consolidated Entity's contractual commitments.

13. Events occurring after the reporting period

No events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity and the Company, the results of those operations, or the state of affairs of the Consolidated Entity and the Company in future financial years.

Directors' declaration

In the opinion of the Directors of Rolling Stock (Victoria-VL) Pty Limited ("the Company")

a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position and performance of the Company and the Consolidated Entity; and

   (ii) complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1(l), Going concern of the financial statements.

Dated at Melbourne this 3 September 2026

Signed in accordance with a resolution of the Directors:



Director

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rolling Stock (Victoria-VL) Pty Limited

Adverse Opinion

I have audited the consolidated financial report of Rolling Stock (Victoria-VL) Pty Limited (the company) and its controlled entities (together, the consolidated entity), which comprises the:

- consolidated entity and company balance sheet as at 30 June 2026
- consolidated entity and company operating statement for the year then ended
- consolidated entity and company statement of changes in equity for the year then ended
- consolidated entity and company statement of cash flows for the year then ended
- notes to the financial statements, including material accounting policy information
- directors' declaration.

In my opinion, because of the significance of matters discussed in the Basis for Adverse Opinion section of my report, the consolidated financial report does not present fairly, in all material respects, in accordance with the financial reporting requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards, the:

- financial positions of the consolidated entity and the company as at 30 June 2026, and
- financial performance and cash flows of the consolidated entity and the company for the year then ended.

Basis for Adverse Opinion

The company is the custodial holder of the State of Victoria's rolling stock assets. The company leases all rolling stock assets to the Department of Transport and Planning, which uses these assets to run the State's transport network. The lease arrangement is significantly below market terms and conditions to enable the Department of Transport and Planning to meet its objectives.

As explained in Note 1b(ii), the company has classified the arrangements as operating leases under AASB 16 *Leases* for 30 June 2026. Consistent with the prior year, I have assessed these leases as finance leases under AASB 16 because the Department of Transport and Planning has substantially all the risks and rewards of ownership of these assets.

If the finance lease requirements of AASB 16 had been applied, the company would be required to:

- de-recognise the plant and equipment assets leased to the Department of Transport and Planning and all related transactions and balances from its statement of operating statement and balance sheet
- recognise a receivable at an amount equal to the net investment of the lease, which is insignificant at 30 June 2026 because the arrangement is below market terms and conditions.

The balances and transactions that should not be recognised in the financial report are:

Operating Statement (Consolidated)

- Depreciation and amortisation expense
- Income tax benefit
- Fair value revaluation of plant and equipment

Balance Sheet (Consolidated)

- Plant and equipment
- Deferred tax liabilities
- Reserves
- Current income tax reserve.

The impact of not removing the above transactions and balances from the consolidated financial report is material and pervasive.

Basis for Adverse Opinion (continued)	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the consolidated financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.
Other information	The Board is responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the consolidated financial report and my auditor's report thereon. My opinion on the consolidated financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the consolidated financial report	The Board of the company is responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Board determines is necessary to enable the preparation of the consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the consolidated financial report, the Board is responsible for assessing the company's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the consolidated financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the consolidated financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

Auditor's responsibilities for the audit of the consolidated financial report (continued)

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

- identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the consolidated entity to express an opinion on the consolidated financial report. I am responsible for the direction, supervision and performance of the audit of the company and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Rolling Stock (VL-1) Pty Limited

ABN 35 093 563 412

Financial report
for the year ended 30 June 2026

VicTrack

Contents

Directors' report 3
Auditor's Independence Declaration 5
Auditor General's independence declaration 6
Operating statement for the year ended 30 June 2026 7
Balance Sheet as at 30 June 2026 8
Statement of changes in equity for the year ended 30 June 2026 9
Statement of cash flows for the year ended 30 June 2026 10
Notes to the financial statements for the year ended 30 June 2026 11
1. Summary of material accounting policies 11
2. Auditors' remuneration 13
3. Contributed equity 13
4. Investments accounted for using the equity method 14
5. Related parties 15
6. Commitments 15
7. Contingent assets and contingent liabilities 16
8. Economic dependency 16
9. Events occurring after the reporting period 16
10. Cash flow information 16
Directors' declaration 17
Independent Auditors report 18

Directors' report

The Directors present their report together with the financial report of Rolling Stock (VL-1) Pty Limited ("the Company") for the financial year ended 30 June 2026 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Company particulars

Rolling Stock (VL-1) Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its registered office is Level 8, 1010 La Trobe Street, Docklands, Victoria 3008.

The Company employed no employees as at 30 June 2026 (2025: nil).

Principal activities

The principal activity of the Company during the course of the financial year was to act as nominee for the NEG / V/Line Franchise Lease Partnership ("the Partnership").

Review and result of operations

The profit/(loss) after tax of the Company for the financial year ended 30 June 2026 was nil (2025: nil).

The Company acts solely as nominee for the Partnership and did not undertake any business activities during the year.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

State of affairs

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

There were no other significant changes in the Consolidated Entity's state of affairs that occurred during the financial year under review.

Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

Events subsequent to the end of the reporting period

No transaction or event of a material nature has arisen in the interval between the end of the financial year and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

Likely developments

The Directors are not aware of any likely future developments that may significantly impact on the operations and/or financial performance of the Company.

Options

No options over issued shares or interests in the Company or a Controlled Entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Proceedings on behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Indemnification and insurance of Directors and Officers

Since the end of the previous financial year, the Company (through its ultimate holding company, Victorian Rail Track) has paid insurance premiums of $17,006 in respect of Directors and Officers liability and legal expenses insurance contracts, for current and former Directors and Officers, including Directors and Officers of its controlled entities.

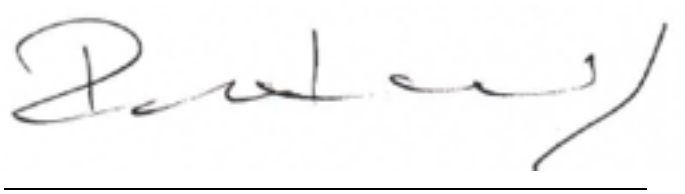
The Company has not insured or indemnified any person who is or has been an Auditor of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is enclosed.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 3 September 2026



Director

Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, Rolling Stock (VL-1) Pty Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Rolling Stock (VL-1) Pty Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Operating statement for the year ended 30 June 2026

Continuing operations	Note	2026	2025
		$	$
Profit from ordinary activities before income tax expense		-	-
Income tax benefit		-	-
Loss from continuing operations after income tax		-	-
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year attributable to owners of the parent entity		-	-

The Operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet as at 30 June 2026

	Note	2026	2025
		$	$
ASSETS			
Current assets			
Cash assets and cash equivalents		10	10
Total current assets		**10**	**10**
Total assets		**10**	**10**
Total liabilities		**-**	**-**
Net assets		**10**	**10**
Equity			
Contributed equity		10	10
Accumulated losses		-	-
Net Worth		**10**	**10**

The Balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2026

	Note	Contributed equity	Retained earnings/ (accumulated losses)	Total equity
2026				
Balance as at 1 July 2025		**10**	**-**	**10**
Net loss for the year		-	-	-
Other comprehensive income		-	-	-
Transactions with owners in their capacity as owners:				
Contributions by owners during the year		-	-	-
Capital returned during the year		-	-	-
Balance as at 30 June 2026		**10**	**-**	**10**
2025				
Balance as at 1 July 2024		**10**	**-**	**10**
Net loss for the year		-	-	-
Other comprehensive income		-	-	-
Transactions with owners in their capacity as owners:				
Contributions by owners during the year		-	-	-
Capital returned during the year		-	-	-
Balance as at 30 June 2025		**10**	**-**	**10**

The Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Statement of cash flows for the year ended 30 June 2026

	Note	2026	2025
		$	$
Net increase/(decrease) in cash held		-	-
Cash and cash equivalent at the beginning of the financial year		10	10
Cash and cash equivalent at the end of the financial year		**10**	**10**

The Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements for the year ended 30 June 2026

1. Summary of material accounting policies

The financial statements of Rolling Stock (VL-1) Pty Limited for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 3 September 2026. The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared on a historical cost basis, except for certain assets and liabilities, which are stated at their fair value, in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards and *FRD 108 Classification of entities as-for profit.*

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Change in accounting policies

There have been no changes in accounting policies during the financial year, arising from the adoption of new standards and amendments for financial year commencing 1 July 2025 as outlined in Note 1(j).

(b) Cash

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 are stated at nominal value. For the purpose of the statement of cash flows, cash is included at principal amount and includes cash on hand.

(c) Dividends

No dividends were paid or payable during the year.

(d) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(e) Functional currency

The financial statements are denominated in Australian dollars, which is the Company's functional and presentation currency.

(f) Commitments

Commitments are disclosed at their nominal value and inclusive of GST payable. Commitments include operating and capital expenditure arising from non-cancellable contractual sources and are disclosed at their nominal value.

(g) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company's contractual commitments.

(h) Critical accounting estimates and judgements

The Directors evaluate estimates and judgments 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.

(i) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position, but are disclosed by way of a note (refer to Note 7 Contingent assets and contingent liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(j) New accounting standards and interpretations adopted by the Company

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(k) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company has assessed the impact of these new or amended Accounting Standards and Interpretations and their application will have no impact on the Company.

2. Auditors' remuneration

	2026	2025
	$	$
Audit of financial statements (VAGO)	24,400	23,200
	24,400	**23,200**

The above audit fees are payable by Rolling Stock Holdings (Victoria) Pty Limited (a related entity) to the Auditor General of Victoria.

3. Contributed equity

	2026	2025
	$	$
Issued and paid up share capital		
10 ordinary shares, fully paid (2025: 10)	10	10

There were no movements in share capital during the year.

Ordinary shares – terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

4. Investments accounted for using the equity method

The Company acts solely as nominee for the Partnership and it is liable for the debts of the Partnership. The Company is entitled to be indemnified from the assets of the Partnership to satisfy these liabilities.

Details of the assets and liabilities of the Partnership as at 30 June 2026 and 2025 are as follows:

Summarised balance sheet	**2026**	**2025**
	$	**$**
Current assets		
Cash and cash equivalent	-	-
Other current assets (excluding cash)	75	75
Total current assets	**75**	**75**
Total non-current assets	142,814,584	152,400,000
Total assets	**142,814,659**	**152,400,075**
Current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	(84,900)	(82,050)
Total current liabilities	**(84,900)**	**(82,050)**
Non-current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	-	-
Total non-current liabilities	**-**	**-**
Total liabilities	**(84,900)**	**(82,050)**
Net assets reported by the partnership	**142,729,759**	**152,318,025**

5. Related parties

Directors

The Directors forms part of the key management personnel of the Company. The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Other key management personnel

Director	Appointment
Jonathan Metcalfe	Chief Executive (part year)
Chris Olds	Chief Executive (part year)
Chris Jones	Acting Chief Executive (part year)

The position of Chief Executive is the Accountable Officer.

The compensation of the Chief Executive is paid by the ultimate Parent Entity.

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

Key management personnel compensation

The Directors and other key management personnel of the company received no remuneration or retirement payments in the financial years ended 30 June 2026 (2025: nil).

Transactions and balances with key management personnel

No Director or other key management personnel have entered into a contract or other transactions with the Company since the end of the previous financial year and there were no contracts or balances involving key management personnel interests existing at year end (2025: nil).

Ultimate parent entity

The ultimate parent entity of the Company is Victorian Rail Track, an organisation wholly owned by the Victorian Government. Victorian Rail Track provides administrative services to the Company at no charge. Any fee that would be charged for these services would not be material and has not been reflected in these financial statements.

Parent Entity

The parent entity of the Company is Rolling Stock (Victoria – VL) Pty Limited.

6. Commitments

There are no operating expenditure or capital expenditure commitments as at 30 June 2026 (2025: nil).

7. Contingent assets and contingent liabilities

There are no contingent assets and contingent liabilities as at 30 June 2026 (2025: nil).

8. Economic dependency

The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended as outlined in Note 1(g) Going Concern. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company's contractual commitments.

9. Events occurring after the reporting period

No transaction or event of a material nature has arisen in the interval between the end of the financial year and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

10. Cash flow information

As the Company did not trade during the year, no reconciliation of profit from operations to the net cash provided by operating activities has been disclosed.

Directors' declaration

In the opinion of the Directors of Rolling Stock (VL-1) Pty Limited ("the Company"):

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

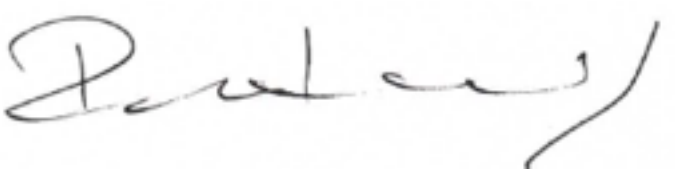
  (i) giving a true and fair view of the financial position and performance of the Company; and

  (ii) complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1(g) of the financial statements.

Dated at Melbourne this 3 September 2026

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.



Director

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rolling Stock (VL-1) Pty Limited

Opinion

I have audited the financial report of Rolling Stock (VL-1) Pty Limited (the company) which comprises the:

- balance sheet as at 30 June 2026
- operating statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including material accounting policy information
- directors' declaration.

In my opinion, the financial report is in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the financial position of the company as at 30 June 2026 and its financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Board is responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Board's responsibilities for the financial report

The Board of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
17 September 2026



Paul Martin
as delegate for the Auditor-General of Victoria

Rolling Stock (VL-2) Pty Limited

ABN 31 093 563 458

Financial Report
for the year ended 30 June 2026

VicTrack

Contents

Directors' report 3
Auditor's Independence Declaration 5
Auditor General's independence declaration 6
Operating statement for the year ended 30 June 2026 7
Balance sheet as at 30 June 2026 8
Statement of changes in equity for the year ended 30 June 2026 9
Statement of cash flows for the year ended 30 June 2026 10
Notes to the financial statements for the year ended 30 June 2026 11
1. Summary of material accounting policies 11
2. Auditors' remuneration 15
3. Income Tax 15
4. Investments accounted for using the equity method 16
5. Contributed equity 19
6. Reserves 20
7. Commitments 20
8. Contingent assets and contingent liabilities 20
9. Related parties 21
10. Economic dependency 22
11. Events occurring after the reporting period 22
Directors' declaration 23
Independent Auditors report 24

Directors' report

The Directors present their report together with the financial report of Rolling Stock (VL-2) Pty Limited ("the Company"), for the financial year ended 30 June 2026 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Company particulars

Rolling Stock (VL-2) Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its registered office is Level 8, 1010 La Trobe Street, Docklands, Victoria 3008.

The Company employed no employees as at 30 June 2026 (30 June 2025: Nil).

Principal activities

The principal activity of the Company during the course of the financial year was to hold an investment in the NEG/V/Line Franchise Lease Partnership ("the Partnership"). The Partnership was formed to acquire new rolling stock and to lease this equipment to V/Line Passenger on behalf of the State.

Review and result of operations

The loss after tax of the Company for the financial year ended 30 June 2026 was ($5,260,254) (2025: ($4,371,648)). Rolling Stock (VL-2) Pty Limited is a dormant company, which accounts for 60% share in the NEG/V/Line Franchise Lease Partnership – and reports its share of rolling stock, depreciation and a related tax benefit. The only transactions that occur are audit fees, which are reimbursed in the following reporting period as other income.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

Significant changes in the state of affairs

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

There were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

Events subsequent to the end of the reporting period

No transaction or event of a material nature has arisen in the interval between the end of the financial year and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

Likely developments

The Directors are not aware of any likely future developments that may significantly impact on the operations and/or financial performance of the Company.

Options

No person has applied to the court under section 237 of the Corporations Act 2001 for leave bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Indemnification and insurance of Directors and Officers

Since the end of the previous financial year, the Company (through its ultimate holding company, Victorian Rail Track) has paid insurance premiums of $17,006 in respect of Directors and Officers liability and legal expenses insurance contracts, for current and former Directors and Officers, including Directors and Officers of its controlled entities.

The Company has not insured or indemnified any person who is or has been an Auditor of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is enclosed.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 3 September 2026



Director

Auditor-General's Independence Declaration

To the Board, Rolling Stock (VL-2) Pty Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Rolling Stock (VL-2) Pty Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Operating statement for the year ended 30 June 2026

	Note	2026	2025
		$	$
Continuing operations			
Share of net loss of joint ventures accounted for using the equity method	4	(5,752,960)	(4,474,413)
Share of loss from ordinary activities before income tax expense		**(5,752,960)**	**(4,474,413)**
Income tax benefit	3	492,706	102,765
Net loss for the year		**(5,260,254)**	**(4,371,648)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Share of other comprehensive income for the period, net of tax	6	-	14,226,459
Total comprehensive income for the year		**-**	**14,226,459**
Total comprehensive income/(expense) for the year attributable to owners of the parent entity		**(5,260,254)**	**9,854,811**

The Operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance sheet as at 30 June 2026

	Note	2026	2025
		$	$
ASSETS			
Non-current assets			
Investments accounted for using the equity method	4	85,637,850	91,390,809
Total non-current assets		**85,637,850**	**91,390,809**
Total Assets		**85,637,850**	**91,390,809**
Non-current liabilities			
Deferred tax liability	3	14,062,393	14,555,099
Total non-current liabilities		**14,062,393**	**14,555,099**
Net assets		**71,575,457**	**76,835,710**
Equity			
Contributed equity	5	4,100,116	4,100,116
Current income tax reserve	6	23,726,800	23,726,800
Asset revaluation surplus	6	36,944,282	36,944,282
Retained profits		6,804,259	12,064,512
Net Worth		**71,575,457**	**76,835,710**

The Balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2026

	Note	Contributed equity	Current income tax reserves	Asset revaluation reserve	Retained profits	Total equity
2026						
Balance as at 1 July 2025		**4,100,116**	**23,726,800**	**36,944,282**	**12,064,512**	**76,835,710**
Net loss for the year		-	-	-	(5,260,254)	(5,260,254)
Revaluation increment/(decrement) net of tax during the year	6	-	-	-	-	-
Other comprehensive income	6	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Contributions by owners	5	-	-	-	-	-
Balance as at 30 June 2026		**4,100,116**	**23,726,800**	**36,944,282**	**6,804,259**	**71,575,457**
2025						
Balance as at 1 July 2024		**4,100,116**	**23,726,800**	**22,717,823**	**16,436,160**	**66,980,899**
Net loss for the year		-	-	-	(4,371,648)	(4,371,648)
Revaluation increment/(decrement) net of tax during the year	6	-	-	14,226,459	-	14,226,459
Other comprehensive income	6	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Contributions by owners	5	-	-	-	-	-
Balance as at 30 June 2025		**4,100,116**	**23,726,800**	**36,944,282**	**12,064,512**	**76,835,710**

The Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Rolling Stock (VL-2) Pty Limited
ABN 31 093 563 458

Statement of cash flows for the year ended 30 June 2026

	2026	2025
	$	$
Net increase/(decrease) in cash and cash equivalent held	-	-
Cash and cash equivalent at the beginning of the financial year	-	-
Cash and cash equivalent at the end of the financial year	**-**	**-**

The Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements for the year ended 30 June 2026

1. Summary of material accounting policies

The financial statements of Rolling Stock (VL-2) Pty Limited for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 3 September 2026.

The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared on a historical cost basis, except for certain assets and liabilities, which are stated at their fair value, in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards and *FRD 108 Classification of entities as-for profit*.

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 the financial statements are presented below and have been consistently applied to all years presented, unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Change in accounting policies

There have been no changes in accounting policies during the financial year.

(b) Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the joint venture. In addition, the Company's share of the profit or loss of the joint venture is included in the Company's profit or loss.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Company has no joint arrangements classified as joint operations.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Taxation

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences except:

- When the liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets are reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(f) 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 Australian Taxation Office (ATO).

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

In 2015-16 VicTrack adopted GST grouping for all its controlled entities including Rolling Stock (VL-2) Pty Limited. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated balance sheet of VicTrack.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the ATO, except where the amount of GST incurred is not recoverable from the ATO.

(g) Functional currency

The financial statements are denominated in Australian dollars, which is the Company's functional and presentation currency.

(h) Commitments

Commitments are disclosed at their nominal value and inclusive of GST payable. Commitments include operating and capital expenditure arising from non-cancellable contractual sources and are disclosed at their nominal value.

(i) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company's contractual commitments.

(j) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance sheet, but are disclosed by way of a note (refer to Note 8 Contingent assets and contingent liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(k) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company has assessed the impact of these new or amended Accounting Standards and Interpretations their application will have no impact on the company.

2. Auditors' remuneration

	2026	2025
	$	$
Audit of financial statements (VAGO)	24,400	23,200
	24,400	**23,200**

The above audit fees are payable by Rolling Stock Holdings (Victoria) Pty Limited (a related entity) to the Auditor General of Victoria.

3. Income Tax

	2026	2025
Income tax expense	$	$
Current income tax expense	-	-
Deferred income tax benefit	492,706	102,765
Total income tax benefit	**492,706**	**102,765**
Income tax reconciliation		
Accounting loss before tax	(5,752,960)	(4,474,413)
Income tax expense at company tax rate of 30%	1,725,888	1,342,324
Derecognition of current year losses	(1,239,559)	(1,239,559)
Prior year adjustment to deferred tax liabilities	6,377	-
Total income tax benefit	**492,706**	**102,765**
Movement in deferred tax assets/(liabilities)		
Opening balance	(14,555,099)	(8,560,810)
Charged to equity	-	(6,097,054)
Charged to income tax expense	492,706	102,765
Closing balance	**(14,062,393)**	**(14,555,099)**

4. Investments accounted for using the equity method

	2026	2025
	$	$
Interest in Partnership	85,637,850	91,390,809

The Company has a 60% (2025: 60%) share in the NEG/V/Line Franchise Lease Partnership ("the Partnership"). The Partnership was formed to acquire new rolling stock and to lease this equipment to V/Line through the Department of Transport and Planning (DTP).

Set out below is the summarised financial information for the Partnership. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of the Partnership. The following summarised financial information, however, reflects the adjustments made by the Company when applying the equity method, including adjustments for any differences in accounting policies between the Company and the Partnership. The Partnership has the same financial year-end as the Company.

Summarised balance sheet	**2026**	**2025**
	$	$
Current assets		
Cash and cash equivalent	-	-
Other current assets (excluding cash)	75	75
Total current assets	**75**	**75**
Total non-current assets	142,814,584	152,400,000
Total assets	**142,814,659**	**152,400,075**
Current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	(84,900)	(82,050)
Total current liabilities	**(84,900)**	**(82,050)**
Non-current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	-	-
Total non-current liabilities	**-**	**-**
Total liabilities	**(84,900)**	**(82,050)**
Net assets reported by the partnership	**142,729,759**	**152,318,025**

Summarised operating statement	2026	2025
Revenue	82,050	79,200
Interest income	-	-
Depreciation	(9,585,416)	(7,454,506)
Finance cost and other expenses	(84,900)	(82,050)
Total expenses	**(9,670,316)**	**(7,536,556)**
Net result from continuing operations	**(9,588,266)**	**(7,457,356)**
Other economic flows - Other comprehensive income	-	33,872,523
Total comprehensive income/(loss)	**(9,588,266)**	**26,415,167**

Share of Partnership's post-acquisition retained profits/(accumulated losses) and reserves attributable to joint venture entities

	2026	2025
	$	$
Retained profits/(accumulated losses)		
Share of Partnership's retained earnings at beginning of year	34,620,495	39,094,908
Share of Partnership's net loss	(5,752,960)	(4,474,413)
Share of Partnership's retained profits/(accumulated losses) at end of year	28,867,535	34,620,495
Asset revaluation surplus		
Share of Partnership's asset revaluation surplus at beginning of year	52,777,526	32,454,012
Share of increment in Partnership's asset revaluation surplus	-	20,323,514
Share of Partnership's asset revaluation surplus at end of year	52,777,526	52,777,526
Movements in carrying amount of Partnership		
Carrying amount at beginning of year	91,390,809	75,541,708
Share of Partnership's net loss before tax	(5,752,960)	(4,474,413)
Share of increment in Partnership's asset revaluation surplus	-	20,323,514
Rounding adjustment	-	-
Carrying amount at the end of the year	**85,637,850**	**91,390,809**

5. Contributed equity

	2026	2025
	$	$
Issued and paid-up share capital		
4,100,116 ordinary shares, fully paid (2025: 4,100,116)	4,100,116	4,100,116

There were no movements in share capital during the year.

Ordinary shares – Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

6. Reserves

Asset revaluation surplus

The asset revaluation surplus is used to record increases and decreases in the fair value of plant and equipment of the Partnership attributable to the Company to the extent that they offset one another, within the same class of assets.

	2026	2025
	$	$
At 1 July	36,944,282	22,717,823
Revaluation during the year	-	20,323,513
Taxation	-	(6,097,054)
At 30 June	**36,944,282**	**36,944,282**

Current income tax reserve

The current income tax reserve is used to record current income tax expense not payable due to tax losses available in the VicTrack tax consolidated group. This amount is not available for distribution. VicTrack is the head entity of the tax consolidated group.

	2026	2025
	$	$
At 1 July	23,726,800	23,726,800
Current income tax during the year	-	-
At 30 June	**23,726,800**	**23,726,800**

7. Commitments

There are no capital expenditure or operating expenditure commitments as at 30 June 2026 (2025: nil). The Company's share of the Partnership commitments as 30 June 2026 is nil (2025: nil).

8. Contingent assets and contingent liabilities

The Company is a 60% partner in the NEG/V/Line Franchise Lease Partnership and is severally liable for 60% of all liabilities incurred by the Partnership.

	2026	2025
	$	$
Total Partnership net assets surplus/(deficiency) amounts to	142,729,759	152,318,025

The Company's share of the Partnership contingent liabilities is nil (2025: nil).

9. Related parties

Directors

The Directors forms part of the key management personnel of the Company. The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Other key management personnel

Director	Appointment
Jonathan Metcalfe	Chief Executive (part year)
Chris Olds	Chief Executive (part year)
Chris Jones	Acting Chief Executive (part year)

The position of Chief Executive is the Accountable Officer.

The compensation of the Chief Executive is paid by the ultimate Parent Entity.

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

Key management personnel compensation

The Directors and other key management personnel of the company received no remuneration or retirement payments in the financial years ended 30 June 2026 (2025: nil).

Transactions and balances with key management personnel

No Director or other key management personnel have entered into a contract or other transactions with the Company since the end of the previous financial year and there were no contracts or balances involving key management personnel interests existing at year end (2025: nil).

Ultimate parent entity

The ultimate parent entity of the Company is Victorian Rail Track, an organisation wholly owned by the Victorian Government. Victorian Rail Track provides administrative services to the Company at no charge. Any fee that would be charged for these services would not be material and has not been reflected in these financial statements.

Parent Entity

The parent entity of the Company is Rolling Stock (Victoria – VL) Pty Limited.

Significant transactions with government-related entities

The partnership derives the majority of its income from DTP, a government related entity, and its other current assets are a receivable from DTP.

10. Economic dependency

The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended as outlined in Note 1(i) Going Concern. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company contractual commitments.

11. Events occurring after the reporting period

No transaction or event of a material nature has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' declaration

In the opinion of the Directors of Rolling Stock (VL-2) Pty Limited ("the Company"):

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

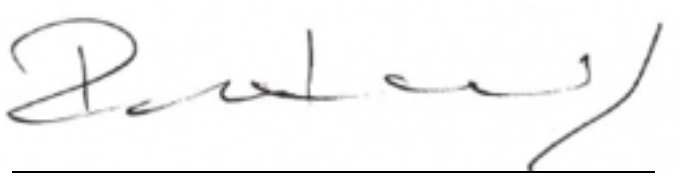
  (i) giving a true and fair view of the financial position and performance of the Company; and

  (ii) complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1(i) of the financial statements.

Dated at Melbourne this 3 September 2026

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.



Director

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rolling Stock (VL-2) Pty Limited

Adverse Opinion

I have audited the financial report of Rolling Stock (VL-2) Pty Limited (the company) which comprises the:

- balance sheet as at 30 June 2026
- operating statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including material accounting policy information
- directors' declaration.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial report does not present fairly, in all material respects, the financial position of the company as at 30 June 2026 and the financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards.

Basis for Adverse Opinion

The company reports a 60% investment in the transactions and balances of the NEG/V/Line Franchise Lease Partnership, a joint arrangement that is the custodial holder of the State of Victoria's rolling stock assets. The joint arrangement was formed to acquire new rolling stock assets to lease to the Department of Transport and Planning, to run the State's transport network. The lease arrangement is significantly below market terms and conditions to enable the Department of Transport and Planning to meet its objectives.

The joint arrangement has classified the lease as an operating lease under AASB 16 *Leases* for 30 June 2026. Consistent with the prior year, I have assessed this lease in the joint arrangement as a finance lease under AASB 16 because the Department of Transport and Planning has substantially all the risks and rewards of ownership of these assets, not the joint arrangement.

If the finance lease requirements of AASB 16 had been applied by the joint arrangement, the company's investments accounted for using the equity method would materially decrease. The impact on the financial report is material and pervasive.

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Other information	The Board is responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board

Auditor's responsibilities for the audit of the financial report (continued)

- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Rolling Stock (VL-3) Pty Limited

ABN 35 093 563 476

Financial Report

for the year ended 30 June 2026

VicTrack

Contents

Directors' report 3
Auditor General's independence declaration 6
Operating statement for the year ended 30 June 2026 7
Balance sheet as at 30 June 2026 8
Statement of changes in equity for the year ended 30 June 2026 9
Statement of cash flows for the year ended 30 June 2026 10
Notes to the financial statements for the year ended 30 June 2026 11
1. Summary of material accounting policies 11
2. Auditors' remuneration 15
3. Income Tax 15
4. Investments accounted for using the equity method 16
5. Contributed equity 19
6. Reserves 19
7. Commitments 20
8. Contingent assets and contingent liabilities 20
9. Related parties 21
10. Economic dependency 22
11. Events occurring after the reporting period 22
Directors' declaration 23
Independent Auditors report 24

Directors' report

The Directors present their report together with the financial report of Rolling Stock (VL-3) Pty Limited ("the Company"), for the financial year ended 30 June 2026 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Company particulars

Rolling Stock (VL-3) Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its registered office is Level 8, 1010 La Trobe Street, Docklands, Victoria 3008.

The Company employed no employees as at 30 June 2026 (30 June 2025: Nil).

Principal activities

The principal activity of the Company during the course of the financial year was to hold an investment in the NEG/V/Line Franchise Lease Partnership ("the Partnership"). The Partnership has been formed to acquire new rolling stock and to lease this equipment to V/Line on behalf of the State.

Review and result of operations

The loss after tax of the Company for the financial year ended 30 June 2026 was ($3,506,836) (30 June 2025: ($2,914,432)). Rolling Stock (VL-3) Pty Limited is a dormant company, which accounts for 40% share in the NEG/V/Line Franchise Lease Partnership – and reports its share of rolling stock, depreciation and a related tax benefit. The only transactions that occur are audit fees, which are reimbursed in the following reporting period as other income.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

Significant changes in the state of affairs

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

There were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

Events subsequent to the end of the reporting period

No transaction or event of a material nature has arisen in the interval between the end of the financial year and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

Likely developments

The Directors are not aware of any likely future developments that may significantly impact on the operations and/or financial performance of the Company.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Indemnification and insurance of Directors and Officers

Since the end of the previous financial year, the Company (through its ultimate holding company, Victorian Rail Track) has paid insurance premiums of $17,006 in respect of Directors and Officers liability and legal expenses insurance contracts, for current and former Directors and Officers, including Directors and Officers of its controlled entities.

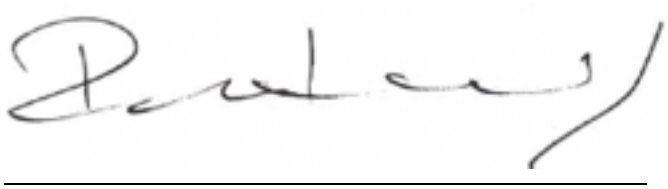
The Company has not insured or indemnified any person who is or has been an Auditor of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is enclosed.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 3 September 2026



Director

Auditor-General's Independence Declaration

To the Board, Rolling Stock (VL-3) Pty Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Rolling Stock (VL-3) Pty Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Operating statement for the year ended 30 June 2026

	Note	2026	2025
		$	$
Continuing operations			
Share of net loss of joint ventures accounted for using the equity method	4	(3,835,306)	(2,982,942)
Share of loss from ordinary activities before income tax		**(3,835,306)**	**(2,982,942)**
Income tax benefit	3	328,470	68,510
Net loss for the year		**(3,506,836)**	**(2,914,432)**
Other comprehensive income			
Items that will not be reclassified to profit and loss		-	-
Share of other comprehensive income for the period, net of tax	6	-	9,484,307
Total comprehensive income for the year		**-**	**9,484,307**
Total comprehensive income/(expense) for the year attributable to owners of the parent entity		**(3,506,836)**	**6,569,875**

The Operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance sheet as at 30 June 2026

	Note	2026	2025
		$	$
Non-current assets			
Investments accounted for using the equity method	4	57,091,900	60,927,205
Total non-current assets		**57,091,900**	**60,927,205**
Total assets		**57,091,900**	**60,927,205**
Non-current liabilities			
Deferred tax liability	3	9,374,930	9,703,399
Total non-current liabilities		**9,374,930**	**9,703,399**
Total liabilities		**9,374,930**	**9,703,399**
Net assets		**47,716,970**	**51,223,806**
Equity			
Contributed equity	5	2,733,410	2,733,410
Current income tax reserve	6	15,817,867	15,817,867
Asset revaluation surplus	6	24,629,522	24,629,522
Retained profits		4,536,171	8,043,007
Net Worth		**47,716,970**	**51,223,806**

The Balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2026

	Note	Contributed equity	Current income tax reserve	Asset revaluation reserve	Retained profits/(accumulated losses)	Total equity
2026						
Balance as at 1 July 2025		**2,733,410**	**15,817,867**	**24,629,522**	**8,043,007**	**51,223,806**
Net loss for the year		-	-	-	(3,506,836)	(3,506,836)
Revaluation increment/(decrement) net of tax during the year	6	-	-	-	-	-
Other comprehensive income	6	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Contributions by owners during the year	5	-	-	-	-	-
Balance as at 30 June 2026		**2,733,410**	**15,817,867**	**24,629,522**	**4,536,171**	**47,716,970**
2025						
Balance as at 1 July 2024		**2,733,410**	**15,817,865**	**15,145,215**	**10,957,440**	**44,653,932**
Net loss for the year		-	-	-	(2,914,432)	(2,914,432)
Revaluation increment/(decrement) net of tax during the year	6	-	-	9,484,307	-	9,484,307
Other comprehensive income	6	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Contributions by owners	5	-	-	-	-	-
Balance as at 30 June 2025		**2,733,410**	**15,817,865**	**24,629,522**	**8,043,007**	**51,223,806**

The Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Rolling Stock (VL-3) Pty Limited
ABN 35 093 563 476

Statement of cash flows for the year ended 30 June 2026

	2026	2025
	$	$
Net increase/(decrease) in cash and cash equivalent held	-	-
Cash and cash equivalent at the beginning of the financial year	-	-
Cash and cash equivalent at the end of the financial year	**-**	**-**

The Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements for the year ended 30 June 2026

1. Summary of material accounting policies

The financial statements of Rolling Stock (VL-3) Pty Limited for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 3 September 2026.

The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared on a historical cost basis, except for certain assets and liabilities, which are stated at their fair value, in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards and *FRD 108 Classification of entities as-for profit*.

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 the financial statements are presented below and have been consistently applied to all years presented, unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Change in accounting policies

There have been no changes in accounting policies during the financial year.

(b) Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the joint venture. In addition, the Company's share of the profit or loss of the joint venture is included in the Company's profit or loss.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Company has no joint arrangements classified as joint operations.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Taxation

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences except:

- When the liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets are reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(f) 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 Australian Taxation Office (ATO).

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

In 2015-16 VicTrack adopted GST grouping for all its controlled entities including Rolling Stock (VL-3) Pty Limited. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated balance sheet of VicTrack.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the ATO, except where the amount of GST incurred is not recoverable from the ATO.

(g) Functional currency

The financial statements are denominated in Australian dollars, which is the Company's functional and presentation currency.

(h) Commitments

Commitments are disclosed at their nominal value and inclusive of GST payable. Commitments include operating and capital expenditure arising from non-cancellable contractual sources and are disclosed at their nominal value.

(i) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company's contractual commitments.

(j) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance sheet, but are disclosed by way of a note (refer to Note 8 Contingent assets and contingent liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(k) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company has assessed the impact of these new or amended Accounting Standards and Interpretations and their application will have no impact on the company.

2. Auditors' remuneration

	2026	2025
	$	$
Audit of financial statements (VAGO)	24,400	23,200
	24,400	**23,200**

The above audit fees are payable by Rolling Stock Holdings (Victoria) Pty Limited (a related entity) to the Auditor General of Victoria.

3. Income Tax

	2026	2025
	$	$
Income tax expense		
Current income tax expense	-	-
Deferred income tax benefit	328,470	68,510
Total income tax benefit	**328,470**	**68,510**
Income tax reconciliation		
Accounting loss before tax	(3,835,306)	(2,982,942)
Income tax expense at company tax rate of 30%	1,150,592	894,883
Derecognition of current year losses	(826,373)	(826,373)
Prior year adjustment to deferred tax liabilities	4,251	-
Total income tax benefit	**328,470**	**68,510**
Movement in deferred tax assets/(liabilities)		
Opening balance	(9,703,399)	(5,707,207)
Charged to equity	-	(4,064,702)
Charged to income tax expense	328,470	68,510
Closing balance	**(9,374,930)**	**(9,703,399)**

4. Investments accounted for using the equity method

	2026	2025
	$	$
Interest in Partnership	57,091,900	60,927,205

The Company has a 40% (2025: 40%) share in the NEG/V/Line Franchise Lease Partnership ("the Partnership"). The Partnership has been formed to acquire new rolling stock and to lease this equipment to V/Line on behalf of the State.

Set out below is the summarised financial information for the Partnership. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of the Partnership. The following summarised financial information, however, reflects the adjustments made by the Company when applying the equity method, including adjustments for any differences in accounting policies between the Company and the Partnership. The Partnership has the same financial year-end as the Company.

Summarised balance sheet	**2026**	**2025**
	$	$
Current assets		
Cash and cash equivalent	-	-
Other current assets (excluding cash)	75	75
Total current assets	**75**	**75**
Total non-current assets	142,814,584	152,400,000
Total assets	**142,814,659**	**152,400,075**
Current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	(84,900)	(82,050)
Total current liabilities	**(84,900)**	**(82,050)**
Non-current liabilities		
Financial liabilities (excluding payables, provisions)	-	-
Other non-financial liabilities (including payables, provisions)	-	-
Total non-current liabilities	**-**	**-**
Total liabilities	**(84,900)**	**(82,050)**
Net assets reported by the partnership	**142,729,759**	**152,318,025**

Summarised operating statement	2026	2025
Revenue	82,050	79,200
Interest income	-	-
Depreciation	(9,585,416)	(7,454,506)
Finance cost and other expenses	(84,900)	(82,050)
Total expenses	**(9,670,316)**	**(7,536,556)**
Net result from continuing operations	**(9,588,266)**	**(7,457,356)**
Other economic flows - Other comprehensive income	-	33,872,523
Total comprehensive income/(loss)	**(9,588,266)**	**26,415,167**

Share of Partnership's post-acquisition retained profits/(accumulated losses) and reserves attributable to joint venture entities

Retained profits/(accumulated losses)	2026	2025
	$	$
Share of Partnership's retained profits at beginning of year	23,008,778	25,991,720
Share of Partnership's net loss	(3,835,306)	(2,982,942)
Share of Partnership's retained profits/(accumulated losses) at end of year	19,173,472	23,008,778
Asset revaluation surplus		
Share of Partnership's asset revaluation surplus at beginning of year	35,185,017	21,636,010
Share of increment in Partnership's asset revaluation surplus	-	13,549,007
Share of Partnership's asset revaluation surplus at end of year	35,185,017	35,185,017
Movements in carrying amount of Partnership		
Carrying amount at beginning of year	60,927,205	50,361,140
Share of Partnership's net loss before tax	(3,835,306)	(2,982,942)
Share of increment in Partnership's asset revaluation surplus	-	13,549,007
Carrying amount at the end of the year	**57,091,900**	**60,927,205**

5. Contributed equity

	2026	2025
	$	$
Issued and paid-up share capital		
2,733,410 ordinary shares, fully paid (2025: 2,733,410)	2,733,410	2,733,410

There were no movements in share capital during the year.

Ordinary shares – Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

6. Reserves

Asset revaluation surplus

The asset revaluation surplus is used to record increases and decreases in the fair value of plant and equipment of the Partnership attributable to the Company to the extent that they offset one another, within the same class of assets.

	2026	2025
	$	$
At 1 July	24,629,522	15,145,215
Revaluation during the year	-	13,549,010
Taxation	-	(4,064,703)
At 30 June	**24,629,522**	**24,629,522**

Current income tax reserve

The current income tax reserve is used to record current income tax expense not payable due to tax losses available in the VicTrack tax consolidated group. This amount is not available for distribution. VicTrack is the head entity of the tax consolidated group.

	2026	2025
	$	$
At 1 July	15,817,867	15,817,867
Current income tax during the year	-	-
At 30 June	**15,817,867**	**15,817,867**

7. Commitments

There are no capital expenditure or operating expenditure commitments as at 30 June 2026 (2025: nil).The Company's share of the Partnership commitments as 30 June 2026 is nil (2025: nil).

8. Contingent assets and contingent liabilities

The Company is a 40% partner in the NEG/V/Line Franchise Lease Partnership and is severally liable for 40% of all liabilities incurred by the Partnership.

	2026	2025
	$	$
Total Partnership net assets surplus/(deficiency) amounts to	142,729,759	152,318,025

The Company's share of the Partnership contingent liabilities is nil (2025: nil).

9. Related parties

Directors

The Directors forms part of the key management personnel of the Company. The Directors of the Company at any time during the financial year and until the date of this report are as follows:

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	29 April 2026
William (Bill) Kusznirczuk	1 January 2024	3 March 2026
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	16 February 2026
Ben Hubbard	1 July 2026	

Other key management personnel

Director	Appointment
Jonathan Metcalfe	Chief Executive (part year)
Chris Olds	Chief Executive (part year)
Chris Jones	Acting Chief Executive (part year)

The position of Chief Executive is the Accountable Officer.

The compensation of the Chief Executive is paid by the ultimate Parent Entity.

Chris Olds resigned from the position of Chief Executive effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive at that date. Jonathan Metcalfe was employed as the interim Chief Executive on 22 September 2025 and was appointed permanently to the role on 23 February 2026.

Key management personnel compensation

The Directors and other key management personnel of the company received no remuneration or retirement payments in the financial years ended 30 June 2026 and 30 June 2025.

Transactions and balances with key management personnel

No Director or other key management personnel have entered into a contract or other transactions with the Company since the end of the previous financial year and there were no contracts or balances involving key management personnel interests existing at year end (2025: nil).

Ultimate parent entity

The ultimate parent entity of the Company is Victorian Rail Track, an organisation wholly owned by the Victorian Government. Victorian Rail Track provides administrative services to the Company at no charge. Any fee that would be charged for these services would not be material and has not been reflected in these financial statements.

Parent Entity

The parent entity of the Company is Rolling Stock (Victoria – VL) Pty Limited.

Significant transactions with government-related entities

The partnership derives the majority of its income from the Department of Transport and Planning (DTP), a government related entity, and its other current assets are a receivable from DTP.

10. Economic dependency

The ability of the Company to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended as outlined in Note 1(i) Going Concern. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Company contractual commitments.

11. Events occurring after the reporting period

No transaction or event of a material nature has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' declaration

In the opinion of the Directors of Rolling Stock (VL-3) Pty Limited ("the Company"):

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

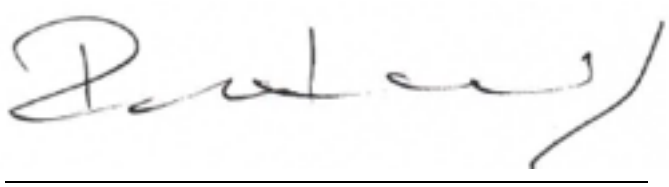
  (i) giving a true and fair view of the financial position and performance of the Company; and

  (ii) complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1(i) of the financial statements.

Dated at Melbourne this 3 September 2026

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.



Director

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rolling Stock (VL-3) Pty Limited

Adverse Opinion

I have audited the financial report of Rolling Stock (VL-3) Pty Limited (the company) which comprises the:

- balance sheet as at 30 June 2026
- operating statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including material accounting policy information
- directors' declaration.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial report does not present fairly, in all material respects, the financial position of the company as at 30 June 2026 and the financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards.

Basis for Adverse Opinion

The company reports a 40% investment in the transactions and balances of the NEG/V/Line Franchise Lease Partnership, a joint arrangement that is the custodial holder of the State of Victoria's rolling stock assets. The joint arrangement was formed to acquire new rolling stock assets to lease to the Department of Transport and Planning to run the State's transport network. The lease arrangement is significantly below market terms and conditions to enable the Department of Transport and Planning to meet its objectives.

The joint arrangement has classified the lease as an operating lease under AASB 16 *Leases* for 30 June 2026. Consistent with the prior year, I have assessed this lease in the joint arrangement as a finance lease under AASB 16 because the Department of Transport and Planning has substantially all the risks and rewards of ownership of these assets, not the joint arrangement.

If the finance lease requirements of AASB 16 had been applied by the joint arrangement, the company's investments accounted for using the equity method would materially decrease. The impact on the financial report is material and pervasive.

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Other information	The Board is responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board

Auditor's responsibilities for the audit of the financial report (continued)

- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



MELBOURNE
17 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria