

# **New England Regional Art Museum Limited**

ABN: 47 131 297 731

## **Financial Statements**

For the Year Ended 30 June 2010

# New England Regional Art Museum Limited

ABN: 47 131 297 731

For the Year Ended 30 June 2010

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# New England Regional Art Museum Limited

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## Directors' Report

30 June 2010

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2010.

**Patron:** Her Excellency Professor Marie Bashir, AC CVO, Governor of NSW

**Vice Patrons:** Tony Windsor MP, Member for New England  
Richard Torbay MP, Member for Northern Tablelands, Chancellor University of New England  
Barry Pearce AM, Head of Australian Art, Art Gallery of New South Wales

**Directors:** Meg Larkin, MBA (UNE) – Chair  
Andrew Murray, BA (UNE) – Deputy Chair  
Chris Serow, BA (UNSW), LLB (UNE), MLLR (Syd) – Company Secretary  
Herman Beyersdorf, BA (Hons) PhD (UNE)  
Bill Dangar  
June Dangar  
Murray Guest, BA (Syd) Dip Ed Syd) M Comm (UNSW)  
Angus Nivison Dip Ed. Dip Art (National School of Art, Sydney)  
Gwenda Shannon, OAM  
Mark Smith, B Fin. Admin. & Dip Ag Econ (UNE) FCA, FTIA, MAICD, JP (Appointed 30 November)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Staff:

**Permanent** Caroline Downer, B.A. (Hons), P Grad Dip Arts, M.A.(Hons) (Melb)– Director (leave of absence 20 March to 27 June 2010)  
Dr Leigh Summers Ph D (Melb) – Acting Director 20 March to 28 June 2010  
Christine Durham, B.A. (Charles Sturt), P. Grad Dip Arts (Deakin) - Operations Manager/Education Officer  
Philippa Charley-Briggs, B.A. (Hons) (Syd) Curator  
Benjamin Thorn, B.A. (Hons) Dip Ed PhD (Syd) – Museum Officer – Museum of Printing

**Casual** Jonathon Larsen: Weekend Custodian  
Nerolie Smith: Weekend Custodian  
Isabelle Devos: Marketing and Promotion

**Contractor:** Hayley Clark: Financial book-keeper.

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## Chair's Report

I am pleased to present NERAM Limited's Annual Report for 2009/2010. This year the report has been bound with the Annual Financial Statements and follows the format of the main Objectives of NERAM Limited's *Strategic Plan 2010-2020*, which was adopted by the Board in 2009.

After the initial year of establishing the legal and financial framework for the company in 2008/2009, the Board was able to focus on a year of consolidation in 2009/2010. The most significant legal matter achieved during the year was the completion of a Variation to the Deed of Trust for the Hinton Trust. Following the assignment of the Trusteeship of the Hinton Trust to NERAM Limited in June 2009, the matter returned to the Supreme Court for consideration of a Variation to the Deed to reflect changes needed to bring it up to date, and to comply with requirements of the Australian Taxation Office. This was successfully completed on 8 April 2010. Further details of the matters covered in the Deed of Variation are listed on Page 7 of this report.

NERAM Limited was established as a company limited by guarantee in July 2008, with the members of the initial Board of Directors appointed by Armidale Dumaresq Council being the only nine members of the Company. In January 2010, in association with the Friends of NERAM, the membership was opened to members of the community. Members of the Friends of NERAM Inc. were invited to become members of NERAM Limited, in addition to their Friends' membership, if they wished to do so. Membership, by application, was also opened to people who did not wish to join the Friends of NERAM. In the inaugural year the Board approved, 170 members of NERAM Limited.

Activities at the Museum increased markedly during 2009/2010. As readers of the Annual Report will see, there was an excellent range of exhibitions throughout the year, from the permanent collections, from touring shows and from our regional artists. This was accompanied by an increase in the educational programs and art classes.

NERAM's Art Management Committee continued its work of reviewing and upgrading the collection. Changes to the NERAM Collection occurred through the acquisition of seven very interesting artworks listed on Page 14. The most notable of these was Elioth Gruner, *From the Dorrigo Road, Bellingen*, oil on canvas, donated to NERAM by CSR Ltd.

Six works, also listed on Page 14 were deaccessioned in April 2010. The proceeds from the sale of these works were paid to Armidale Dumaresq Council as the first instalment of a debt that was inherited by NERAM Limited and agreed by the Board to be repaid to the community over a ten year period, in return for the security of a twenty year funding agreement with the Council.

In this second year of operation the Board of NERAM worked together extremely well. A number of committees were established to share the Board's work. These Committees are listed on Page 6 of this report, and reflect the breadth and diversity of managing a company such as NERAM. I extend my sincere thanks to all Directors for their hard work, commitment and collaboration. Everyone has had a high level of involvement and engagement. In particular I would like to thank Deputy Chair, Andrew Murray for his support and for the work he and his NERAM Foundation Advisory Committee have done to get the Foundation established and to raise and invest funds for the future. I thank Chris Serow for his continued work as Company Secretary and in particular for the further extensive pro bono work he undertook relating to the Variation of the Deed of Trust for the Hinton Trust. NERAM Limited is extremely fortunate to have the benefit of his knowledge and services.

The staff at NERAM have had a very active and productive year, with substantial increases in attendance at the Museum and further increases in participation in public and educational programs. Museum Director Caroline Downer and her team have achieved excellent results in their provision of a very professional, enticing and diverse range of activities. Funding for the operation of the Museum is tight and I am constantly impressed by the prudent and careful management of the budget, balanced by the enthusiasm of the staff to exhibit NERAM's wonderful

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collections and provide the community with access to and participation in an enticing program. I thank Caroline and her team for their ongoing professionalism and great work.

The Volunteers at NERAM are an amazing resource, and a wonderful band of people who assist in many of the activities at the Museum. In 2009/2010 there were 70 volunteers who contributed 2900 hours of work. In financial terms this equates to the equivalent of 1.6 additional staff members at a potential cost of \$60,000. NERAM could not function without this support, and I thank the volunteers most sincerely.

The Packsaddle team held their very successful annual fundraising exhibition in October 2009 and decided to reserve the funds raised for future contribution to a major work for the collection. This unique band of women has supported NERAM for many years and their passion and ongoing dedication is acknowledged with gratitude.

The Friends of NERAM gave enormous support to the Museum throughout the year. In addition to being fund raisers they also became "fund savers" by taking on the catering for openings and events at NERAM. This generous action saved NERAM considerable funds and enabled the Museum to allocate resources to other activities. I sincerely thank Peter Lloyd and Lynne Walker, the Presidents in 2009/2010 for their commitment and great support and I thank their committees too, for their generosity and ongoing enthusiasm for NERAM.

At our Annual General Meeting on 29 November 2010 we will make the first changes to our Board of Directors since our appointment in 2008. The first two years of operation of the Company have been eventful, at times difficult, and continue to be an ongoing challenge in managing on limited resources. It has been rewarding and an honour and a privilege to be part of these two years in the revitalisation and stabilization of this wonderful cultural resource. To all of the teams involved, I offer my sincere gratitude and thanks. I look forward to the next phase of our journey.

Meg Larkin  
Chair

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## Directors' Report

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### NERAM Limited - STRATEGIC OBJECTIVES

NERAM Limited is a company limited by guarantee, established in July 2008 to manage the operations of the New England Regional Art Museum. Its principal objectives, as adopted in its STRATEGIC PLAN 2010 - 2020- are:-

1. **A model of good governance:** Ensure that all governance, legal and financial requirements for NERAM Limited are fulfilled in a professional and timely manner.
2. **Harnessing Resources:** Mobilise financial and human resources through advocacy, fundraising, income generation, sponsorship and formal and informal partnerships.
3. **Managing for Sustainability:** Ensure policies and systems are in place to provide an efficient and effective foundation for current and future operations
4. **Fostering best practice in Collections Management:** Develop models of practice that ensure collection conservation, foster professional skills, increase community understanding, enhance audience access and enrich visitor cultural experience through innovative exhibition and program development.
5. **Programming a dynamic regional cultural hub:** Plan and deliver a memorable experience within, as well as around NERAM in the Armidale cultural precinct
6. **Marketing and building audiences:** Extend NERAM's audience through innovative and effective marketing

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### **OBJECTIVE 1. A MODEL OF GOOD GOVERNANCE**

Ensure that all governance, legal and financial requirements for NERAM Limited are fulfilled in a professional and timely manner.

**Our strategy** is to ensure that NERAM Limited has in place all of the legal and financial arrangements for its successful future operation, including its management of the Hinton, Coventry and NERAM collections. It will also will include the establishment and/or review of all governance and compliance responsibilities that are required for the successful operation of a substantial not for profit art museum.

### **MEETINGS AND BOARD ACTIVITIES**

The Board met monthly, with additional meetings as required, for special items of business.

### **ESTABLISHMENT OF COMMITTEES**

To assist with good governance and to cover the range of accountabilities of the Directors, the Board established a number of committees. These committees are chaired by Directors, and membership includes members of the community with expertise in the area of governance being addressed.

- Finance Building and Risk Management - Chair: Andrew Murray
- Fundraising and Sponsorship – Chair: Bill Dangar
- Art Management Committee – Chair: Angus Nivison
- Marketing and Promotions Committee – Chair: June Dangar
- NERAM Foundation Advisory Committee – Chair: Andrew Murray
- Hinton Trust Advisory Committee – Chair: Gwenda Shannon
- Coventry Trust Advisory Committee – Chair: Angus Nivison
- Membership and Board Nominations Committee – Chair: Herman Beyersdorf
- Audit and Governance Committee – Chair: Mark Smith

### **MEMBERSHIP**

NERAM Limited was established in July 2008 with 9 members, being the members of the initial Board of Directors appointed by Armidale Dumaresq Council. In January 2010, in association with the Friends of NERAM, the membership was opened to members of the community. Members of the Friends of NERAM were invited to become members of NERAM Limited. Membership, by application, was also opened to people who did not wish to join the Friends of NERAM Inc. In the inaugural year, 170 members of NERAM Limited were approved by the Board.

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### **HINTON TRUST – VARIATION OF THE DEED OF TRUST.**

Following the assignment of the Howard Hinton Trust from the Armidale Dumaresq Council to NERAM Limited in June 2009, a Variation to the Trust deed was required to:-

- Document the change of Trustee from Armidale Dumaresq Council to NERAM Limited,
- Satisfy the requirements of the Australian Taxation Office in relation to Deductible Gift Recipient (DGR) status, to enable the Trust Fund receive gifts and to provide donors with a tax deduction for any gifts or bequests made to the Fund.
- Clarify issues relating to the ability to lend items from the Hinton Collection to other public galleries for inclusion in temporary exhibitions
- Establish rules for the administration of the Trust Fund that has been newly established for the purpose of caring exclusively for the Hinton Collection.
- Provide an audited list of the entire contents of the Hinton Collection to be included as part of the Trust documentation.

The Variation of Trust Deed was accepted by the Supreme Court of NSW on 8 April 2010. An application was subsequently made to the Australian Taxation Office in relation to Deductible Gift Recipient and Charitable Status. Processing will be completed in 2010/2011 financial year.

The audited Financial Statements for the Hinton Trust are included in the Annual Financial Statements

### **CHANDLER COVENTRY TRUST – DEDUCTIBLE GIFT RECIPIENT AND CHARITABLE STATUS**

In 2009 a Trust Deed for the Chandler Coventry Trust was submitted and approved. In 2010 the Chandler Coventry Trust achieved approval as a Gift Deductible Recipient with Charitable status.

### **NERAM FOUNDATION**

The NERAM Foundation, under the guidance of the NERAM Foundation Advisory Committee continued to raise and invest funds for the future development and support of NERAM. A set of Guidelines were formulated and adopted by the Board, with a view to conservatively manage the capital of the Foundation providing capital growth and ensuring that the contributions of donors and fund raisers are preserved and respected whilst recognising that the role of the Foundation is to provide income from investment returns to fund the operations and special projects of NERAM.

A highly successful fundraising dinner, attended by 110 people, with Anthony Roberts MP, Shadow Minister for the Arts as Guest Speaker, was held at NERAM on 18 June 2010.

The audited Financial Statements for the NERAM Foundation are included in the Annual Financial Statements.



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A number of people made individual donations to the Foundation. NERAM acknowledges the following donors to the NERAM Foundation in 2009/2010:

Mary L Abrahams	Enna P Pty Ltd	Lorraine Osborn
Margie Aggs	RDH & WM Fayle	RF & BI Passey
Kay Alden	R.L. Franklin	Merran Pearson
Anonymous	Harry Geddes	Doug & Eileen Price
June Atherton	Barbara Giblin	Mary Quinn
Philip & Alison Attard	Murray Guest	Robertson Grazing
Mary Barber	R.K. Harrigan	June Ross
John & Ann Benyon	Alison Hoddinott	Judith Ross-Smith
Bergen Grazing Co	Pam Koebel	Sandon County APEX
Richard Bird & Lynne Walker	John & Ann Maurer	Brian & Jeanne Seppelt
Phillip Bookallil	Rose McCarthy	Mrs E Spring
Daniele Burckhardt	Thelma McCarthy	R. H. Stokes
Brian & Jeanne Connor	Ann McKern	William Todd
Bill & Helen Dangar	C.R. Meares	M.L. Treadgold
Dangar Group	Jennifer Miller	Edward & Sally Wright
Ian & Anthea Duncan	Moranbah Supermarket Pty Ltd.	
Susan Dunn	P B Morse	
Egon Investments	Andrew & Alex Murray	
Peter & Pat Elkin	Angus & Caroline Nivison	

## REGISTERED OFFICE.

In October 2010 the Registered Office of NERAM Limited was changed from Rice More and Gibson to Legal Minds, PO Box 991, Armidale 2350

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### OBJECTIVE 2. HARNESSING RESOURCES

Mobilise financial and human resources through advocacy, fundraising, income generation, sponsorship and formal and informal partnerships.

**Our strategy** is to ensure that NERAM Ltd has the capacity to offer incentives and to attract financial support from a variety of sources including through donation, sponsorship, corporate support, philanthropic and government grants.

### Financial Structure

NERAM operates a number of accounts, which are fully detailed in the Audited Statements. This table is supplied as an overview to assist with explanation of the following highlights from the year's activities.

NERAM Operations	NERAM Foundation	Hinton Trust	Coventry Trust
<b>Income (major sources)</b> <ul style="list-style-type: none"><li>• Recurrent Grant from ADC</li><li>• Grant from Arts NSW</li><li>• Grant from Newcastle Permanent Charitable Trust (3 year project</li><li>• Membership fees</li><li>• Friends of NERAM Inc (Special Projects</li><li>• Corporate Sponsors</li><li>• Shop profits</li><li>• Other grants</li></ul>	<b>Income</b> <ul style="list-style-type: none"><li>• Fundraising</li><li>• Interest on investments</li></ul>	<b>Income</b> <ul style="list-style-type: none"><li>• Contribution from ADC</li></ul>	<b>Income</b> From NERAM Foundation
<b>Expenditure</b> <ul style="list-style-type: none"><li>• Salaries</li><li>• Operational Expenses</li><li>• Exhibitions</li><li>• Public Programs</li><li>• Shop stock</li></ul>	<b>Expenditure</b> <ul style="list-style-type: none"><li>• Partial interest to support activities</li><li>• Acquisitions (future activity)</li></ul>	<b>Expenditure (Hinton Collection only)</b> <ul style="list-style-type: none"><li>• Insurance</li><li>• Conservation</li><li>• Promotion and touring etc</li></ul>	<b>Expenditure</b> <ul style="list-style-type: none"><li>• Conservation</li><li>• Acquisitions (future activity)</li></ul>

### Operational Funding

- **Armidale Dumaresq Council Grant.** The principal source of funding for NERAM's operations derived from our Service Agreement with Armidale Dumaresq Council which provided \$274,275. This recurrent funding provides for basic operations of the Museum. Additional funding was sourced from the organisations listed below.
- **Arts NSW** – A grant of \$20,000 to assist with the annual program of activities and events.
- **Newcastle Permanent Charitable Trust** – the major sponsor of NERAM's Educational Program, "Art Alive New England". This year the focus has been on the development of the online education resource, with over 140 images photographed, look and discuss sections and art making activities.

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- **Community Heritage Grant** - an Australian government grant managed by the National Library of Australia, funded Significance Assessments of the Howard Hinton and Chandler Coventry Collections which was undertaken by Dr Leigh Summers.
- **Incoming Touring Exhibition Grant (ITEG)** Program from Museums of Galleries NSW. This grant funded public programs including art classes to coincide with the Nora Heysen exhibition.

## Sponsorship and Donations

- **The Friends of NERAM** were particularly supportive of the Art Museum during the year. The Friends support in catering for Exhibition Openings and other major events has been of very significant value to the Museum providing very significant savings in costs.

The Friends also sponsored a travelling exhibition, *Nora Heysen: Light and Life*, and a highly successful Family Fun Day where participants built a giant quince in response to the quince in one of Heysen's paintings, from the Hinton Collection

- **The Packsaddle Fundraisers** held their annual selling exhibition in October 2009. The Packsaddle Committee resolved to hold the funds they raised at the Exhibition with a view to purchasing a major work for the NERAM collection when sufficient funds have accumulated.
- **Friends of the Old Teachers College** donated approximately \$15,000 to the Museum for the purpose of professionally photographing and digitizing images of works in the Howard Hinton Collection.
- **Corporate sponsors:** NERAM was grateful to receive donations from a number of companies to support the operations of the Museum. These included :
  - Killens Smash Repairs,
  - PC Ducats,
  - Tony Hoskins Plumbing, and
  - Knights Store
- **QantasLink** provided four flights for guest speakers and curators to come to Armidale to enhance NERAM's activities and exhibitions and to assist staff with travel to undertake professional development, liaise, and keep up-to-date with what is happening in larger galleries and museums in major centres.
- **The Armidale School (TAS)** provided assistance with necessary maintenance to ensure that the gallery spaces are presented professionally.
- **The UNE Printery** provided the Museum with a discount on the printing of invitations for all exhibitions.
- **Jobs Australia** generously provided the Museum with professional in-kind support for its IT set-up and maintenance.
- **Legal Minds** generously provided the Museum with pro-bono legal services during the year.
- **Rice Moore & Gibson** generously provided the Museum with pro-bono legal services during the year.

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### OBJECTIVE 3. MANAGING FOR SUSTAINABILITY

Ensure policies, plans, procedures and systems are in place to provide an efficient and effective foundation for current and future operations.

**Our strategy** is to develop a viable organisation structure and to attract skilled, experienced, energetic and creative staff to manage NERAM as an exciting and sustainable place to be.

### Staff

There was stability in staffing at NERAM during 2009/2010. Museum Director Caroline Downer was granted leave of absence from 20 March to 27 June 2010 to accompany her husband on Sabbatical Leave overseas. The Board was pleased to welcome Dr Leigh Summers, Gallery Director from Coffs Harbour Regional Gallery to act as Museum Director in her absence

**Permanent:** Caroline Downer, B.A. (Hons), P Grad Dip Arts, M.A.(Hons) (Melb)– Director  
Dr Leigh Summers Ph D (Melb) – Acting Director - 20 March to 28 June 2010  
Christine Durham, B.A. (Charles Sturt), P. Grad Dip Arts (Deakin) - Operations Manager/Education Officer  
Philippa Charley-Briggs, B.A. (Hons) (Syd) Curator  
Benjamin Thorn, B.A. (Hons) Dip Ed PhD (Syd) – Museum Officer – Museum of Printing

**Casual:** Jonathon Larsen: Weekend Custodian  
Nerolie Smith: Weekend Custodian  
Isabelle Devos: Marketing and Promotion

**Contractor:** Hayley Clark: Financial book-keeper.

### Volunteers

In the past year, there have been over 2,900 volunteer hours worked in the organisation. There are over 80 volunteers, listed below, who are the life-blood of the art museum, and work in all areas of the gallery – from exhibition installation, administration and filing to front desk reception and the Museum shop.

Margie Aggs	Helen Dangar	Julia Hardman	Diana Perry
Patsy Asch	Carmel Devine	Shelley Harvey	Carmen Ponsaing
Pamela Barber	Isabelle Devos	Alison Hoddinott	Robyn Power
Jeff & Ngaire Bates	Sue Donegan	Olive Hopkins	Julia Rose
Bob Baxter	Judith Doyle	Kris Jackson	Lynette Ryan
Ben Bible	Sinead Duggan	Louise Jesser	Eileen Sanders
Richard Bird	Anthea Duncan	Trish Johnstone	Michelle Schouten
Pamela Brazier-Hollins	Gillian Dunlop	Dacre King	Mary-Anne Scott
Tom Brazier-Hollins	Pat Elkin	Pam Koebel	Kellie Simpson
Jennifer Butler	Annemieke English	Chantelle Laucht	Melanie Smith
Sally Cater	Bar Finch	Bob & Ann Lemcke	Roselli Stanley
Ros Clark	Roise Fitzsimons	Graham Mackay	Helen Thomas
Keith Clarke	Alice Forrest	Tony Marjoram	Anna Walkden-Brown
Lesley Coffey	Elizabeth Fulloon	Barry & Lucy McCann	Judy Ward
Barbie Connah	Barbara Giblin	Rose McCarthy	Hayley Ward

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Beth Crawford  
Lenore Crocker  
Jane Cullen  
Richard Curtis  
Rose Cutts

Jean Gossip  
Diana Gray  
Kerry Gulliver  
Rosalie Hall  
Kathleen Hannan

Katherine McLennan  
Lorenne Michel  
Franny Morse  
Lauren Olsen  
Dick & Beverley Passey

Brenda Wilson  
Peter Wise

## Policies

The following policies were ratified by the Board in 2009/2010: These policies may be viewed on the NERAM Website [www.neram.com.au](http://www.neram.com.au)

- Venue Hire Policy
- Volunteer Policy
- Collections Policy
- Exhibitions Policy

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### OBJECTIVE 4 FOSTERING BEST PRACTICE IN COLLECTIONS MANAGEMENT

Develop models of practice that ensure collection conservation, foster professional skills, increase community understanding, enhance audience access and enrich visitor cultural experience through innovative exhibition and program development.

**Our strategy** is to implement programs to improve audience access to NERAM's collections including the Hinton, Coventry, NERAM and Museum of Printing collections.

#### Collections

**Significance Assessments** of the Howard Hinton and Chandler Coventry Collections were undertaken by Dr Leigh Summers.

#### Acquisitions:

The New England Regional Art Museum acquired 7 works of art in the year through the Cultural Gifts Program and individual donors. All met the requirements of the Art Museum's Collections Policy.

- Brian Dunlop, *Farm Sheds*, acrylic on board, donated by CSR Ltd
- Elioth Gruner, *From the Dorrigo Road, Bellingen*, oil on canvas, donated by CSR Ltd
- Len Horne, *Ethnical Masculine Birds*, etching, donated by Mary Quinn through the Cultural Gifts Program
- Marine Ky, *Vessels*, etching, donated by Mary Quinn through the Cultural Gifts Program
- Darren Bryant, *Up Close, Similar but Different*, etching with chine colle, donated by Mary Quinn through the Cultural Gifts Program
- Georgia Thorpe, *Southern Cross Version III*, woodcut, donated by Mary Quinn through the Cultural Gifts Program
- Aida Tomescu, *Prey*, etching donated by Mary Quinn through the Cultural Gifts Program

#### Deaccessioning:

In 2009, by Deed of Agreement between NERAM Ltd, State of NSW, The Minister for Lands, Armidale Dumaresq Council as Reserve Trust Manager for Armidale Community Cultural Reserve Trust, the NERAM Collection was assigned to NERAM Limited. This collection contains 2191 items and is made up of items purchased specifically for the collection and a substantial number of works donated under the Australian government's Cultural Gifts Program. In 2010 4 works were sold from the NERAM collection.

- Jen Senbergs, *Fierce Sheila with Tits*
- Kevin Connor, *Night People*
- Jean Bellette, *Mythological Figures*
- Vida Lahey, *Coolangatta*

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**Loans:** The following works were loaned to other institutions in 2009/2010

Albury Regional Art Gallery	Robert Dickerson - <i>Blue Clown</i> Salvatore Zofrea <i>The circus in Borgia Appassionata Series</i> Salvatore Zofrea <i>The clowns - Appassionata Series</i>
Art Gallery of South Australia	Hans Heysen - <i>Murray River Cliffs</i>
Carrick Hill	Nora Heysen - <i>Still Life</i> Adrian Feint - <i>Bowl of Flowers</i> Adrian Feint - <i>The collector</i> Adrian Feint - <i>Autumn morning, Kurrajong</i> Adrian Feint - <i>Formal flowerpiece</i> Adrian Feint - <i>From a country garden</i> Adrian Feint - <i>The jetties, Palm Beach</i> Adrian Feint - <i>Untitled [Landscape]</i> Adrian Feint - <i>Untitled [Tasmanian Tiger]</i>
McClelland Gallery	Esther Paterson- <i>The Yellow Gloves</i>
Geelong Art Gallery	Adrian Feint - <i>Bowl of Flowers</i> Adrian Feint - <i>The collector</i> Adrian Feint - <i>Autumn morning, Kurrajong</i> Adrian Feint - <i>Formal flowerpiece</i> Adrian Feint - <i>From a country garden</i> Adrian Feint - <i>The jetties, Palm Beach</i> Adrian Feint - <i>Untitled [Landscape]</i> Adrian Feint - <i>Untitled [Tasmanian Tiger]</i>
NETS Victoria	Trevor Nickolls - <i>Untitled (factory)</i> Trevor Nickolls - <i>Untitled (3 figures with branched arms)</i> Trevor Nickolls - <i>Untitled (Aboriginal man)</i> Trevor Nickolls - <i>Untitled (Janus statue in lake)</i> Trevor Nickolls - <i>Untitled (couple)</i>

## Rentals

A number of works were also rented to various institutions and businesses in Armidale including the Armidale Dumaresq Council and the University of New England:

UNE – Animal Genetics Breeding Unit	Christopher Hodges - <i>Big Blue Bull</i>
Armidale Dumaresq Council	Neil Evans - <i>Pinch Gut</i> Helen Geier - <i>Plotting from the fragment 3, 4 and 5</i> Jeff Makin - <i>Dights Falls No.2</i> Leo Robba - <i>Tower Gold Coast, Fades away</i>
UNE Economics Business and Law	Michelle Collocott - <i>Metamorphosis (5 panels)</i> Michelle Collocott - <i>Purple nocturne</i> Genevieve De Couver- <i>The void</i> Wendy Stavrianos - <i>Intercessor</i>

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### Museum of Printing

The Museum of Printing continued its operations throughout 2009/10. This included maintaining and expanding the permanent display of large equipment and also presenting several temporary exhibitions. The oral history project continued to produce fascinating material. The Museum of Printing continued to be open on Thursdays and Fridays from 10:30am to 3:30pm or by appointment.



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### OBJECTIVE 5 PROGRAMMING A DYNAMIC REGIONAL CULTURAL HUB

Plan and deliver a memorable experience within, as well as around, NERAM in the Armidale cultural precinct.

Our strategy as a first step is to build NERAM's reputation as a centre for new ideas, creativity and learning based on the quality of its exhibitions, education/workshop and cultural programs but also on its commitment to precinct wide strategic partnerships.

#### Exhibitions

NERAM's annual exhibition program featured curated exhibitions from the Permanent Collections, as well as Regional Artist, Guest and Community Exhibitions.

#### Permanent Collections

Selections from the Hinton, Coventry and NERAM Collections were shown throughout the year. In house permanent collection exhibitions included:

- *Munificence: A Celebration of Hinton the Collector* – 2009 was the 80<sup>th</sup> anniversary of Hinton's first donation to Armidale Teachers' College. This was a special exhibition which focused on his donations supplemented by a photographic history of the College itself.
- *Allsorts: From the NERAM Collections*, curated by Philippa Charley-Briggs
- *Captured on Canvas: Still lifes from the Permanent Collections* curated by Caroline Downer, Director NERAM
- *A Friendly Selection: The Coventry and NERAM Collections*, selected by the Friends of NERAM Executive and curated by Philippa Charley-Briggs
- *Drawing Inspiration: From the Permanent Collections* – nine regional artists worked in the gallery space inspired by their choice of artworks from the NERAM permanent collections.
- *Hinton's Travels in Japan*: a visual documentation of Hinton's journey to Japan, curated by Christine Durham, Education Officer.

#### Guest Exhibitions

The following major touring exhibitions were hosted by NERAM in 2009/2010.

- *Nora Heysen: Light and Life*: Carrick Hill
- *Jacaranda Acquisitive Drawing Award*: Grafton Regional Art Gallery
- *Leica/CCP Documentary Photography Award*
- *In Your Dreams*

University of New England A partnership with UNE, resulted in two exhibitions:

- *Yesterday in Armidale: Through the Lens Past and Present* - An exhibition of photographs sourced from the University of New England Heritage Centre depicting life in Armidale from the 1880s, displayed next to contemporary photographs taken by photographer David Doyle at the same location.
- *UNE "Let's Hang It"* - The University of New England Schools Art Prize attracts entrants from 350 primary and secondary schools across the New England/North West.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Directors' Report

30 June 2010

### Featured Artists

The Featured Artist program showcased emerging and established artists from the region and provides an opportunity for visual artists to promote, market and exhibit their work. Exhibitions included:

- *Fay Porter: I know what it is about this place, it's the sky!*
- *Marty Branagan: Laddies' night @ the e-bore*
- *Barbara McKay: A Painter's Journey*
- *James White: Major and Minor Movements*
- *Ann Streckfuss: Arcanum*
- *Jo Davidson and Stephen Killick : Resonance of Place*
- *Martin King: 'slowly disappearing darling'*

### Public Programs/Education

2009/10 saw over 8,590 visitors to NERAM's educational and public programs, a 60% increase on last year. 17 different schools from around the region attended educational tours as well as students from TAFE New England and the University of New England. An educational newsletter, ImpART was distributed to all schools in the region.

- Public Programs included concerts and operas, exhibition openings, launches, ARTnexus (local artist networking event), artist and curator talks, and school holiday workshops.
- Art Classes were held in the Packsaddle Art Studio underneath NERAM and included Adventures in Art (After school classes with Del Bennett), and drawing, painting and print-making adult classes during term.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Directors' Report

30 June 2010

### OBJECTIVE 6 MARKETING AND BUILDING AUDIENCES

Extend NERAM's audience through innovative and effective marketing.

**Our strategy** is to develop NERAM's profile/ brand by "re-igniting its partnerships with key stakeholders, particularly with the local community", with potential benefactors, with the regional economic development and education sectors

#### Visitation

With its associated public and educational programs, NERAM aims to engage the general public, to develop audiences and to provide an opportunity to build strategic partnerships with the broader community.

Visitors reached 27,191 in this financial year, a 23% increase since last year.

#### Audience Development Study

NERAM took part in the Audience Development Study undertaken by Museums and Galleries NSW. This study undertook strategic visitor research which will develop into a centralised collection of comprehensive, reliable and current arts audience data which can be accessed by galleries and museums to help realise their aims and objectives. The report from this study will be used as a tool for assessing and evaluating programs to formulate relevant activities and events for target audience, and to also broaden visitor base and increase attendance.

#### Media

##### Newspapers and radio

Press releases were distributed to the local media weekly including Armidale Independent, Armidale Express, Northern Daily Leader and Focus Magazine Armidale. A piece on Tom Roberts' Mosman's Bay appeared in the Weekend Australian on 15 August 2009. In September a profile of the New England Regional Art Museum and its collections appeared in Look Magazine, the Friends of the Art Gallery of NSW publication.

Radio ads were also broadcast on 2AD, and NERAM continued to take part in the 'gallery wrap-around' each month on local ABC.

##### Website development

NERAM's website [www.neram.com.au](http://www.neram.com.au) was updated weekly. One of the major projects in development in 2009/2010 was Art Alive – an online education resource which is on the NERAM website. This education project is a key component of NERAM's new educational program which engages the community – attracting new audiences, and re-invigorating and recreating NERAM's reputation as a vibrant and innovative cultural institution. A new design for this section of the website was completed and content was uploaded. The launch of this resource will be in October 2010.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Directors' Report

30 June 2010

### Principal Activities

The principal activities of the Group from inception and during the financial year were the operation of a regional cultural facility which manages and cares for nationally significant art collections, and which plans and delivers a dynamic calendar of exhibitions with associated public and educational programs. In addition, the company is trustee for the Howard Hinton trust, the Chandler Coventry trust and the New England Regional Art Museum Foundation.

### Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Meg Larkin	12	12
Andrew Murray	12	11
Christopher Serow	12	8
June Dangar	12	10
Gwenda Shannon OAM	12	10
Murray Guest	12	3
Angus Nivison	12	10
Bill Dangar	12	11
Herman Beyersdorf	12	9
Mark Smith	7	6

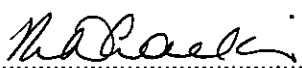
### Auditors Independence Declaration


A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 21.

### Members Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 10 each towards any outstanding obligations of the company. At 30 June 2010 the number of members was 170 (2009: 9).

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated: 5<sup>th</sup> November 2010

*Armidale*

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PO Box 114  
Armidale NSW 2350

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ABN 24 935 296 225

**New England Regional Art Museum  
Limited**

ABN: 47 131 297 731

**Auditors Independence Declaration under Section 307C  
of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Forsyths

  
Geoffrey W Allen  
Partner

5<sup>th</sup> November 2010

92 Rusden Street, Armidale NSW

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
Revenue	2	253,325	211,798	211,125	150,565
Other income	2	597,180	42,051,543	478,565	2,583,167
Raw materials and consumables used		(24,069)	(16,021)	(24,069)	(16,021)
Employee benefits expense		(218,727)	(176,471)	(218,727)	(176,471)
Depreciation, amortisation and impairments		(27,642)	(2,500)	(27,642)	(2,500)
Borrowing costs		(58,431)	-	(58,431)	-
Strategic Planning Costs		-	(14,595)	-	(14,595)
Supreme Court Costs		-	(23,665)	-	(23,665)
Promotional expenses		-	(16,106)	-	(16,106)
Electricity expense		(56,602)	(46,688)	(56,602)	(46,688)
Consignment Commission		(30,977)	(17,639)	(30,977)	(17,639)
Exhibition Costs		(34,137)	(23,978)	(34,137)	(23,978)
Insurance Expense		(49,668)	(30,832)	(21,723)	(18,706)
Fundraising expenses		(5,625)	(6,577)	-	-
Other operating expenses		(137,459)	(89,740)	(126,414)	(89,717)
Gain on disposal of assets		(727)	-	(727)	-
<b>Profit for the year</b>		<b>206,441</b>	<b>41,798,529</b>	<b>90,241</b>	<b>2,287,646</b>
<b>Other comprehensive income:</b>					
Unrealised gain/(loss) on available for sale financial assets		(2,236)	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(2,236)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>204,205</b>	<b>41,798,529</b>	<b>90,241</b>	<b>2,287,646</b>

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Statement of Financial Position

30 June 2010

		Consolidated		Parent	
	Note	2010	2009	2010	2009
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	203,686	184,449	148,628	49,334
Trade and other receivables	6	116,502	10,290	122,127	16,867
Inventories	7	67,995	29,919	67,995	29,919
Other assets	9	18,982	19,054	3,258	2,079
<b>Total current assets</b>		<b>407,165</b>	<b>243,712</b>	<b>342,008</b>	<b>98,199</b>
<b>Non-current assets</b>					
Financial assets	8	77,618	-	-	-
Property, plant and equipment	10	41,958,147	41,899,577	2,602,027	2,543,457
<b>Total non-current assets</b>		<b>42,035,765</b>	<b>41,899,577</b>	<b>2,602,027</b>	<b>2,543,457</b>
<b>TOTAL ASSETS</b>		<b>42,442,930</b>	<b>42,143,289</b>	<b>2,944,035</b>	<b>2,641,656</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	11	118,688	56,958	244,640	66,208
Borrowings	5	396	-	396	-
Short-term provisions	12	1,500	-	1,500	-
Other Liabilities	13	53,561	38,182	53,561	38,182
<b>Total current liabilities</b>		<b>174,145</b>	<b>95,140</b>	<b>300,097</b>	<b>104,390</b>
<b>Non-current liabilities</b>					
Other Liabilities	13	266,051	249,620	266,051	249,620
<b>Total non-current liabilities</b>		<b>266,051</b>	<b>249,620</b>	<b>266,051</b>	<b>249,620</b>
<b>TOTAL LIABILITIES</b>		<b>440,195</b>	<b>344,760</b>	<b>566,148</b>	<b>354,010</b>
<b>NET ASSETS</b>		<b>42,002,734</b>	<b>41,798,529</b>	<b>2,377,887</b>	<b>2,287,646</b>
<b>FUNDS</b>					
General Funds		42,002,734	41,798,529	2,377,887	2,287,646
<b>TOTAL FUNDS</b>		<b>42,002,734</b>	<b>41,798,529</b>	<b>2,377,887</b>	<b>2,287,646</b>

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Statement of Changes in Equity

For the Year Ended 30 June 2010

**2010**

	Parent	
	General Funds	Total
	\$	\$
Balance at Wednesday, 1 July 2009	2,287,646	2,287,646
Total comprehensive income for the year	90,241	90,241
<b>Balance at 30 June 2010</b>	<b>2,377,887</b>	<b>2,377,887</b>

**2009**

	Parent	
	General Funds	Total
	\$	\$
Total comprehensive income for the year	2,287,646	2,287,646
<b>Balance at 30 June 2009</b>	<b>2,287,646</b>	<b>2,287,646</b>

**2010**

	Consolidated	
	General Funds	Total
	\$	\$
Balance at Wednesday, 1 July 2009	41,798,529	41,798,529
Total comprehensive income for the year	204,205	204,205
<b>Balance at 30 June 2010</b>	<b>42,002,734</b>	<b>42,002,734</b>

**2009**

	Consolidated	
	General Funds	Total
	\$	\$
Total comprehensive income for the year	41,798,529	41,798,529
<b>Balance at 30 June 2009</b>	<b>41,798,529</b>	<b>41,798,529</b>



# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
<b>Cash from operating activities:</b>					
Receipts from customers		639,844	617,605	541,841	437,542
Payments to suppliers and employees		(576,194)	(434,637)	(475,442)	(389,687)
Interest received		3,783	1,482	1,238	1,479
<b>Net cash provided by (used in) operating activities</b>	14	<u>67,433</u>	<u>184,450</u>	<u>67,637</u>	<u>49,334</u>
Proceeds from sale of artwork		37,273	-	37,273	-
Purchase of property, plant and equipment		(6,012)	-	(6,012)	-
Purchase of investments		(79,854)	-	-	-
<b>Net cash provided by (used in) investing activities</b>		<u>(48,593)</u>	<u>-</u>	<u>31,261</u>	<u>-</u>
<b>Net increase (decreases) in cash held</b>		<b>18,840</b>	<b>184,450</b>	<b>98,898</b>	<b>49,334</b>
Cash at beginning of financial year		<u>184,450</u>	<u>-</u>	<u>49,334</u>	<u>-</u>
<b>Cash at end of financial year</b>	5	<u><u>203,290</u></u>	<u><u>184,450</u></u>	<u><u>148,232</u></u>	<u><u>49,334</u></u>

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies

#### (a) General information

The financial report includes the consolidated financial statements and notes of New England Regional Art Museum Limited and controlled entities (the Group) and the separate financial statements and notes of New England Regional Art Museum Limited as an individual parent entity (Parent), incorporated and domiciled in Australia. New England Regional Art Museum Limited is a company limited by guarantee.

#### (b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (c) Basis of consolidation

A controlled entity is an entity over which New England Regional Art Museum Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. The controlled entities of New England Regional Art Museum Limited are the Howard Hinton Trust, Chandler Coventry Trust and the New England Regional Art Museum Foundation

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistency with those adopted by the parent entity.

#### (d) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Grant revenue is recognised as income on receipt.

New England Regional Art Museum Limited receives non-reciprocal contributions of assets from the government and other parties for no or a nominal value. These assets are recognised at fair value on

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

the date of acquisition in the statement of financial position, with a corresponding amount of income in the income statement.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

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

#### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

#### (g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Plant and equipment

Plant and equipment are measured on the cost basis, excluding Artwork which is held at fair value.

Artwork is valued at fair value less any impairment losses after the date of revaluation. Fair value is determined by independent valuations which are obtained with sufficient regularity to ensure the carrying value does not differ materially from the assets' values at balance sheet date.

##### Depreciation

The depreciable amount of all fixed assets, but excluding artwork collections, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Original art works and collections have an extremely long useful life. Depreciation for those items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

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

#### **Class of Fixed Asset**

Plant and Equipment	10%
Motor Vehicles	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### **(h) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

#### **(i) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

#### **(j) Borrowings**

All borrowing costs are recognised in income in the period in which they are incurred.

#### **(k) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(l) Taxation status**

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. The exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (m) Gain on transfer of assets and gain on recognition of trust

The NERAM collection, Museum of Printing collection and other museum assets were transferred into New England Regional Art Museum Limited at no cost during the year ended 30 June 2009. The fair value of these assets have been shown as a gain on transfer of assets.

Financial accounts have not been prepared for the Chandler Coventry Trust and the Howard Hinton Trust prior to 30 June 2009. As a result, the initial recognition, at fair value, of the assets in these trusts has been shown as a gain on recognition of trust.

#### (n) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of New England Regional Art Museum Limited.

#### AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

##### *Disclosure impact*

**Terminology changes** - The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** - The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** - The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

**Other comprehensive income** - The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

#### (o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. the Group has decided against early adoption of these standards as none of the changes are considered to have a material impact on the Group.

### 2 Revenue

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Sales revenue				
- Sale of goods	87,560	83,164	87,560	83,164
- Services revenue	67,900	45,878	67,900	45,878
- Interest received	3,783	1,482	1,238	1,479
- Donations	94,082	81,244	54,427	20,044
- Other revenue	-	30	-	-
Total Revenue	253,325	211,798	211,125	150,565

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Other Income				
- Museums and Galleries NSW grant	3,000	9,600	3,000	9,600
- Newcastle Permanent Funding	4,545	18,182	4,545	18,182
- Armidale Dumaresq Council funding	374,275	365,000	274,275	265,000
- Royal Historical Society	500	1,000	500	1,000
- Pack Saddle	1,602	918	1,602	918
- Fundraising	50,577	14,511	31,962	2,255
- Box Gallery	9,281	7,395	9,281	7,395
- Travelling Exhibitions	3,000	1,500	3,000	1,500
- Arts NSW	30,000	-	30,000	-
- Arts NorthWest	2,200	-	2,200	-
- Gain on Transfer of Assets	118,200	2,277,317	118,200	2,277,317
- Gain on recognition of trust	-	39,356,120	-	-
Other Income	597,180	42,051,543	478,565	2,583,167

# New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 3 Auditors' Remuneration

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	5,280	4,800	5,280	4,800

## 4 Key Management Personnel Compensation

### (a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Meg Larkin	Director
Andrew Murray	Director
Christopher Serow	Director
June Dangar	Director
Gwenda Shannon OAM	Director
Murray Guest	Director
Angus Nivison	Director
Bill Dangar	Director
Herman Beyersdorf	Director
Mark Smith	Director

The directors act in an honorary capacity and receive no compensation for their services.

### Other Key Management Personnel

Caroline Downer	Art Museum Director
Leigh Summers	Acting Art Museum Director

### (b) Key Management Compensation

	Short-term benefits \$	Post employment benefit \$	Total \$
<b>2010</b>			
Total compensation	64,741	5,802	70,543
<b>2009</b>			
Total compensation	52,359	4,712	57,071

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 5 Cash and cash equivalents

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash on hand	250	250	250	250
Cash at bank	203,426	184,189	148,378	49,084
Other cash and cash equivalents	10	10	-	-
	<b>203,686</b>	<b>184,449</b>	<b>148,628</b>	<b>49,334</b>

#### Reconciliation of cash

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:				
Cash and cash equivalents	203,686	184,449	148,628	49,334
Bank overdraft	(396)	-	(396)	-
	<b>203,290</b>	<b>184,449</b>	<b>148,232</b>	<b>49,334</b>

### 6 Trade and other receivables

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
Trade receivables	117,073	6,240	122,698	12,817
Provision for impairment of receivables	(571)	(571)	(571)	(571)
GST Receivable	-	4,621	-	4,621
	<b>116,502</b>	<b>10,290</b>	<b>122,127</b>	<b>16,867</b>



# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 7 Inventories

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
At Cost				
NERAM Shop Inventory	19,120	19,120	19,120	19,120
Art Supplies	48,875	10,799	48,875	10,799
	<u>67,995</u>	<u>29,919</u>	<u>67,995</u>	<u>29,919</u>

### 8 Other Financial Assets

Available-for-sale financial assets comprise:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Listed investments, at fair value shares in listed corporations	77,618	-	-	-
<b>Total available-for-sale financial assets</b>	<u>77,618</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 9 Other Assets

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
Prepayments	18,982	19,054	3,258	2,079
	<u>18,982</u>	<u>19,054</u>	<u>3,258</u>	<u>2,079</u>

# New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 10 Property, plant and equipment

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>Plant and equipment</b>				
at fair value	181,691	119,064	181,691	119,064
Accumulated depreciation	(22,642)	-	(22,642)	-
Total plant and equipment	159,049	119,064	159,049	119,064
<b>Motor vehicles</b>				
at fair value	17,500	17,500	17,500	17,500
Accumulated depreciation	(7,500)	(2,500)	(7,500)	(2,500)
Total motor vehicles	10,000	15,000	10,000	15,000
<b>NERAM Collection</b>				
at fair value	2,149,285	2,125,700	2,149,285	2,125,700
Total NERAM Collection	2,149,285	2,125,700	2,149,285	2,125,700
<b>Museum of Printing Collection</b>				
at fair value	283,693	283,693	283,693	283,693
Total Museum of Printing Collection	283,693	283,693	283,693	283,693
<b>Hinton Collection</b>				
at fair value	36,467,320	36,467,320	-	-
Total Hinton Collection	36,467,320	36,467,320	-	-
<b>Coventry Collection</b>				
at fair value	2,888,800	2,888,800	-	-
Total Coventry Collection	2,888,800	2,888,800	-	-
<b>Total property, plant and equipment</b>	<b>41,958,147</b>	<b>41,899,577</b>	<b>2,602,027</b>	<b>2,543,457</b>

The NERAM, Museum of Printing, Hinton and Coventry collections are held at fair value. These collections were independently valued by Jon Dwyer from Dwyer Fine Arts on 18 June 2008.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 10 Property, plant and equipment continued

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

#### Parent

	Plant and Equipment \$	Motor Vehicles \$	NERAM Collection \$	Hinton Collection \$	Coventry Collection \$	Museum of Printing Collection \$	Total \$
Balance at the beginning of year	119,064	15,000	2,125,700	-	-	283,693	2,543,457
Additions	6,012	-	61,585	-	-	-	67,597
Equipment not taken up in the prior year	56,615	-	-	-	-	-	56,615
Disposals	-	-	(38,000)	-	-	-	(38,000)
Depreciation expense	(22,642)	(5,000)	-	-	-	-	(27,642)
Carrying amount at the end of year	159,049	10,000	2,149,285	-	-	283,693	2,602,027

#### Consolidated

	Plant and Equipment \$	Motor Vehicles \$	NERAM Collection \$	Hinton Collection \$	Coventry Collection \$	Museum of Printing Collection \$	Total \$
Balance at the beginning of year	119,064	15,000	2,125,700	36,467,320	2,888,800	283,693	41,899,577
Additions	6,012	-	61,585	-	-	-	67,597
Equipment not taken up in the prior year	56,615	-	-	-	-	-	56,615
Disposals	-	-	(38,000)	-	-	-	(38,000)
Depreciation expense	(22,642)	(5,000)	-	-	-	-	(27,642)
Carrying amount at the end of year	159,049	10,000	2,149,285	36,467,320	2,888,800	283,693	41,958,147

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 11 Trade and other payables

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	88,693	25,954	211,058	35,204
Accrued employee entitlements	3,559	2,054	3,559	2,054
Sundry payables and accrued expenses	16,536	28,950	16,535	28,950
GST Payable	9,900	-	13,488	-
	<u>118,688</u>	<u>56,958</u>	<u>244,640</u>	<u>66,208</u>

### 12 Provisions

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
Employee benefits	1,500	-	1,500	-
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>

### 13 Other Liabilities

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
CURRENT				
Armidale Dumaresq Council Debt	53,561	38,182	53,561	38,182
Total	<u>53,561</u>	<u>38,182</u>	<u>53,561</u>	<u>38,182</u>

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
NON-CURRENT				
Armidale Dumaresq Council Debt	266,051	249,620	266,051	249,620
Total	<u>266,051</u>	<u>249,620</u>	<u>266,051</u>	<u>249,620</u>

The interest free debt to Armidale Dumaresq Council is recorded at net present value. The total amount owing at 30 June 2010 is \$389,563, including GST, and is repayable over 10 years in equal instalments. Armidale Dumaresq Council 20 year funding agreement is conditional on the repayment of this debt.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 14 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net income for the period	204,205	41,798,529	90,241	2,287,646
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit				
Depreciation	27,642	2,500	27,642	2,500
Net loss on disposal of artwork	727	-	727	-
Gain on transfer of assets	(118,200)	(2,258,155)	(118,200)	(2,258,155)
Armidale Council debt forgiveness	31,810	-	31,810	-
Gain on recognition of trust	-	(39,356,120)	-	-
Unrealised gains/(losses) on investments	2,236	-	-	-
Write-downs to recoverable amount	-	571	-	571
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	(121,786)	(10,861)	(117,247)	(17,438)
(Increase)/decrease in prepayments	72	(19,054)	(1,179)	(2,079)
(Increase)/decrease in inventories	(38,076)	(29,919)	(38,076)	(29,919)
Increase/(decrease) in trade payables and accruals	77,303	56,959	190,419	66,208
Increase/(decrease) in provisions	1,500	-	1,500	-
Cashflow from operations	67,433	184,450	67,637	49,334

#### (b) Non-cash Financing and Investing Activities

##### Acquisitions not reflected in Statement of Cash Flows

During the year ended 30 June 2009 the NERAM collection, Museum of Printing collection and other museum assets were transferred into the Group for no consideration and the Hinton collection and Coventry collection were recognised at fair value. In addition, during the year ended 30 June 2010 Artworks worth \$61,505 were donated to NERAM and a further \$56,595 of museum assets were transferred into the group for no consideration. These acquisitions are not reflected in the Statement of Cash Flows as they were non-cash transactions.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 15 Controlled Entities

The parent company acts as trustee for the following trusts:

- Howard Hinton Trust
- Chandler Coventry Trust
- New England Regional Art Museum Foundation

### 16 Economic Dependency

New England Art Museum Limited is economically dependent on the Armidale Dumaresq Council under a 20 year funding agreement.

### 17 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans.

#### Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity price risk.

#### (a) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no material credit risk from receivables at year end.

#### (b) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flow and maintaining cash reserves to cover debts.

#### (c) Interest rate risk

Cash is held in bank accounts and term deposits, which the company considers are at an acceptable interest rate. The loan from Armidale Dumaresq Council is interest free.

#### (d) Foreign exchange risk

The Group is not exposed to fluctuations in foreign currencies.

#### (e) Equity Price Risk

The Group only holds investments quoted on the Australian Stock Exchange. The Group have appointed an advisory committee to advise on the management of its investment portfolio. The Board has approved risk and return parameters for investment in available for sale financial investments and receives regular reports on the performance of the portfolio.

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### (i) Financial instrument composition and maturity analysis

The consolidated group's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	2.00	2.00	203,426	184,449	260	260	203,686	184,449
Receivables	-	-	-	-	116,502	10,290	116,502	10,290
Investments	-	-	-	-	77,618	-	77,618	-
<b>Total Financial Assets</b>			<b>203,426</b>	<b>184,449</b>	<b>194,380</b>	<b>10,550</b>	<b>397,806</b>	<b>194,739</b>
<b>Financial Liabilities:</b>								
Armidale Dumaresq Council Debt	-	-	-	-	319,612	287,802	319,612	287,802
Trade and sundry payables	-	-	-	-	118,687	56,958	118,687	56,958
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>438,299</b>	<b>344,760</b>	<b>438,299</b>	<b>344,760</b>

### 18 Company Details

#### Registered office

The registered office of the company is:

Legal Minds  
157 Beardy Street  
Armidale NSW 2350

#### Principal place of business

The principal places of business are:

New England Regional Art Museum  
106-114 Kentucky Street  
Armidale NSW 2350

# New England Regional Art Museum Limited

ABN: 47 131 297 731


## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 21 to 39, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..... 

Director ..... 

Dated 5 November 2010



*Armidale*

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## **New England Regional Art Museum Limited**

ABN: 47 131 297 731

**Independent Audit Report to the members of  
New England Regional Art Museum Limited**

ABN 24 935 296 225

### **Report on the Financial Report**

We have audited the accompanying financial report of New England Regional Art Museum Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the New England Regional Art Museum Limited and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Knowledge with integrity**

# New England Regional Art Museum Limited

ABN: 47 131 297 731

## Independent Audit Report to the members of New England Regional Art Museum Limited

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of New England Regional Art Museum Limited on 5 November 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

### Auditor's Opinion

In our opinion the financial report of New England Regional Art Museum Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

FORSYTHS  
Chartered Accountants



Geoffrey W Allen  
Partner

92 Rusden Street, Armidale NSW

5<sup>th</sup> November 2010

# **Chandler Coventry Trust**

ABN: 79 543 509 572

## **Financial Statements**

For the Year Ended 30 June 2010

# Chandler Coventry Trust

ABN: 79 543 509 572

For the Year Ended 30 June 2010

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# Chandler Coventry Trust

ABN: 79 543 509 572

## Trustee's Report

30 June 2010

Your directors present their report on the trust for the financial year ended 30 June 2010.

### Trustee

The trustee at the date of this report is NERAM Limited.

### Principal Activities

The principal activities of Chandler Coventry Trust during the financial year was the housing, insuring, preserving, maintaining, conserving, restoring, presenting and promoting of the artworks donated by Chandler Coventry for the purpose of public education, known as the Coventry Collection.

No significant change in the nature of these activities occurred during the year.

### Operating Results

The Surplus of the trust amounted to \$ NIL.

### Significant Changes in State of Affairs

No significant changes in the trust's state of affairs occurred during the financial year.

### After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the trust, the results of those operations or the state of affairs of the trust in future financial years.

### Future Developments, Prospects and Business Strategies

The trust will continue to carry on the principal activities noted above. There are no likely developments in the activities in the future years which will affect the results and therefore require disclosure.

Signed in accordance with a resolution of the Board of Directors:

Director .....



Director .....



Dated 5 November 2010

# Chandler Coventry Trust

ABN: 79 543 509 572

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	2010	2009
Note	\$	\$
Revenue	-	2,888,800
Total comprehensive income for the year	-	2,888,800

# Chandler Coventry Trust

ABN: 79 543 509 572

## Statement of Financial Position

30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	3	2,888,800	2,888,800
<b>Total non-current assets</b>		<u>2,888,800</u>	<u>2,888,800</u>
<b>TOTAL ASSETS</b>		<u>2,888,800</u>	<u>2,888,800</u>
<b>NET ASSETS</b>			
		<u>2,888,800</u>	<u>2,888,800</u>
<b>FUNDS</b>			
General Funds		<u>2,888,800</u>	<u>2,888,800</u>
<b>TOTAL FUNDS</b>		<u>2,888,800</u>	<u>2,888,800</u>

The accompanying notes form part of these financial statements.

# Chandler Coventry Trust

ABN: 79 543 509 572

## Statement of Changes in Equity

For the Year Ended 30 June 2010

2010

	General Funds \$	Total \$
Balance at 1 July 2009	2,888,800	2,888,800
Balance at 30 June 2010	2,888,800	2,888,800

2009

	General Funds \$	Total \$
Total comprehensive income for the year	2,888,800	2,888,800
Balance at 30 June 2009	2,888,800	2,888,800



# Chandler Coventry Trust

ABN: 79 543 509 572

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies

#### (a) General Information

The financial report covers Chandler Coventry Trust as an individual entity. Chandler Coventry Trust is a discretionary trust, established and domiciled in Australia.

#### (b) Basis of preparation

##### Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Trust Deed.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the Trust Deed. Such accounting policies are consistent with the previous period unless otherwise stated.

AASB 101: Presentation of Financial Statements:

AASB 107: Cash Flow Statements:

AASB 1031: Materiality: and

AASB 110: Events after the Balance Sheet Date

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The material accounting policies have been adopted in the preparation of this report are as follows:

#### (c) Revenue

Donations and bequests are brought to account in the Income Statement when they are received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

#### (d) Income taxes

The trust is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. The exemption has been confirmed by the Australian Taxation Office. The trust holds deductible gift recipient status.

# Chandler Coventry Trust

ABN: 79 543 509 572

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (e) Gain on recognition of trust and comparatives

The Chandler Coventry trust was established in 2009 to hold in trust the artwork donated by Chandler Coventry in 1979. The artwork is to be held and exhibited in Armidale in combination with the Hinton Collection. Financial accounts have not been prepared for the trust prior to 30 June 2009. As a result the initial recognition of the art collection at fair value has been shown as a gain on recognition of trust.

#### (f) Artwork

Artwork is valued at fair value less any impairment losses after the date of revaluation. Fair value is determined by independent valuations which are obtained with sufficient regularity to ensure the carrying value does not differ materially from the assets' values at balance sheet date.

### 2 Revenue

	2010 \$	2009 \$
Revenue		
- Gain on recognition of trust	-	2,888,800
Total Revenue	-	2,888,800

### 3 Collection Assets

	2010 \$	2009 \$
Coventry Collection		
At fair value	2,888,800	2,888,800
Total collection assets	2,888,800	2,888,800

The Coventry collection is held at fair value. The Coventry collection was independently valued by Jon Dwyer from Dwyer Fine Arts on 18 June 2008.

#### Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Collection Assets \$	Total \$
Balance at the beginning of year	2,888,800	2,888,800
Carrying amount at the end of year	2,888,800	2,888,800

# Chandler Coventry Trust

ABN: 79 543 509 572

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 4 Related party transactions

The trustee acts in an honorary capacity and receives no compensation for its services.

There were no related party transactions during the financial year.

### 5 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Net income for the period	-	2,888,800
Gain on recognition of trust	-	(2,888,800)
Cashflow from operations	-	-

#### Non-cash Financing and Investing Activities

##### Acquisitions not reflected in Statement of Cash Flows

During the 2009 year the Coventry collection was recognised at fair value in the balance sheet of the Trust. This acquisition is not reflected in the Statement of Cash Flows as it was a non-cash transaction.

### 6 Economic Dependence

The trust is economically dependent on New England Regional Art Museum Limited and controlled entities to fund the housing, insuring, preserving, maintaining, conserving, restoring, presenting and promoting of the Coventry Collection.

### 7 Trust Details

The registered office and principal place of business of the trust is C/O NERAM Limited, Kentucky Street, Armidale, NSW, 2350.

# Chandler Coventry Trust

ABN: 79 543 509 572

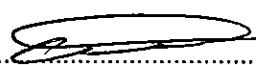
## Trustee's Declaration

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 2 to 7, present fairly the trust's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the trustee company.

Director ..... 

Director ..... 

Dated 5 November 2010

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e [armidale@forsyths.com.au](mailto:armidale@forsyths.com.au)

Forsyths Business Services Pty Ltd

## Chandler Coventry Trust

ABN: 79 543 509 572

### Independent Audit Report to the members of Chandler Coventry Trust

#### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Chandler Coventry Trust, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income and statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the trustee's declaration.

#### The Responsibility of the Directors for the Financial Report

The directors of the trustee company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial report 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

# Chandler Coventry Trust

ABN: 79 543 509 572

## Independent Audit Report to the members of Chandler Coventry Trust

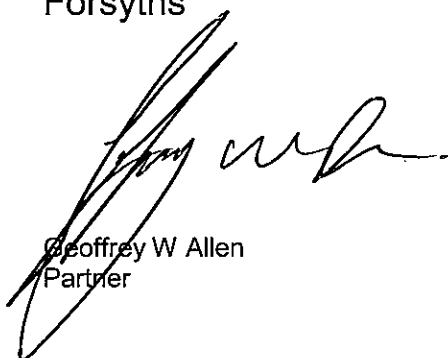
### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Chandler Coventry Trust as of 30 June 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Forsyths



Geoffrey W Allen  
Partner

92 Rusden Street, Armidale NSW

5 November 2010

# Howard Hinton Trust

ABN: 23 559 426 439

## Financial Statements

For the Year Ended 30 June 2010

# Howard Hinton Trust

ABN: 23 559 426 439

For the Year Ended 30 June 2010

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# Howard Hinton Trust

ABN: 23 559 426 439

## Trustee's Report

30 June 2010

Your directors present their report on the trust for the financial year ended 30 June 2010.

### Trustee

The trustee at the date of this report is NERAM Limited.

### Principal Activities

The principal activities of Howard Hinton Trust during the financial year was the housing, insuring, preserving, maintaining, conserving, restoring, presenting and promoting of the artworks donated by Howard Hinton for the purpose of public education, known as the Hinton Collection.

No significant change in the nature of these activities occurred during the year.

### Operating Results

The Surplus of the trust amounted to \$ 62,210.

### Significant Changes in State of Affairs

No significant changes in the trust's state of affairs occurred during the financial year.

### After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the trust, the results of those operations or the state of affairs of the trust in future financial years.

### Future Developments, Prospects and Business Strategies

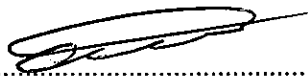
The trust will continue to carry on the principal activities noted above. There are no likely developments in the activities in the future years which will affect the results and therefore require disclosure.

Signed in accordance with a resolution of the Board of Directors:

Director .....



Director .....



Dated 5 November 2010

# Howard Hinton Trust

ABN: 23 559 426 439

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	101,198	36,567,320
Other expenses		(38,988)	(12,125)
<b>Total comprehensive income for the year</b>		<b>62,210</b>	<b>36,555,195</b>

# Howard Hinton Trust

ABN: 23 559 426 439

## Statement of Financial Position

30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	30,833	70,899
Trade and other receivables	4	103,528	-
Prepayments		15,724	16,976
<b>Total current assets</b>		<u>150,085</u>	<u>87,875</u>
<b>Non-current assets</b>			
Plant and equipment	5	36,467,320	36,467,320
<b>Total non-current assets</b>		<u>36,467,320</u>	<u>36,467,320</u>
<b>TOTAL ASSETS</b>		<u>36,617,405</u>	<u>36,555,195</u>
<b>NET ASSETS</b>		<u>36,617,405</u>	<u>36,555,195</u>
<b>FUNDS</b>			
General Funds		36,617,405	36,555,195
<b>TOTAL FUNDS</b>		<u>36,617,405</u>	<u>36,555,195</u>

# Howard Hinton Trust

ABN: 23 559 426 439

## Statement of Changes in Equity

For the Year Ended 30 June 2010

### 2010

	General Funds \$	Total \$
Balance at 1 July 2009	36,555,195	36,555,195
Total comprehensive income for the year	62,210	62,210
<b>Balance at 30 June 2010</b>	<b>36,617,405</b>	<b>36,617,405</b>

### 2009

	General Funds \$	Total \$
Total comprehensive income for the year	36,555,195	36,555,195
<b>Balance at 30 June 2009</b>	<b>36,555,195</b>	<b>36,555,195</b>

# Howard Hinton Trust

ABN: 23 559 426 439

## Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash from operating activities:</b>			
Receipts from Armidale Dumaresq Council		-	100,000
Payments to suppliers		(41,264)	(29,101)
Interest received		1,198	-
<b>Net cash provided by (used in) operating activities</b>	8	<u>(40,066)</u>	<u>70,899</u>
 <b>Net increase (decreases) in cash held</b>		<b>(40,066)</b>	<b>70,899</b>
Cash at beginning of financial year		70,899	-
<b>Cash at end of financial year</b>	3	<u><u>30,833</u></u>	<u><u>70,899</u></u>

# Howard Hinton Trust

ABN: 23 559 426 439

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies

#### (a) General information

The financial report covers Howard Hinton Trust as an individual entity. Howard Hinton Trust is a discretionary trust, established and domiciled in Australia.

#### (b) Basis of preparation

##### Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Trust Deed.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the Trust Deed. Such accounting policies are consistent with the previous period unless otherwise stated.

AASB 101: Presentation of Financial Statements:

AASB 107: Cash Flow Statements:

AASB 1031: Materiality: and

AASB 110: Events after the Balance Sheet Date

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The material accounting policies have been adopted in the preparation of this report are as follows:

#### (c) Revenue

Donations and bequests are brought to account in the Income Statement when they are received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

#### (d) Income taxes

The trust is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. The exemption has been confirmed by the Australian Taxation Office. The trust holds deductible gift recipient status.

# Howard Hinton Trust

ABN: 23 559 426 439

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (g) Gain on recognition of trust and comparatives

The Howard Hinton trust was established on 14 July 1933 when Howard Hinton donated his artwork to the Teachers Training College in Armidale. Financial accounts have not been prepared for the trust prior to 30 June 2009. As a result the initial recognition of the art collection at fair value has been shown as a gain on recognition of trust.

#### (h) Artwork

Artwork is valued at fair value less any impairment losses after the date of revaluation. Fair value is determined by independent valuations which are obtained with sufficient regularity to ensure the carrying value does not differ materially from the assets' values at balance sheet date.

### 2 Revenue

	2010 \$	2009 \$
Revenue		
- Interest received	1,198	-
- Armidale Dumaresq Council Contribution	100,000	100,000
- Gain on recognition of trust	-	36,467,320
Total Revenue	101,198	36,567,320

### 3 Cash and cash equivalents

	2010 \$	2009 \$
Cash at bank	30,833	70,899
	30,833	70,899

# Howard Hinton Trust

ABN: 23 559 426 439

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 4 Trade and Other Receivables

	2010	2009
	\$	\$
CURRENT		
Trade receivables	100,000	-
GST receivable	3,528	-
	<u>103,528</u>	<u>-</u>

### 5 Collection Assets

	2010	2009
	\$	\$
Hinton Collection		
At fair value	36,467,320	36,467,320
<b>Total Collection Assets</b>	<u>36,467,320</u>	<u>36,467,320</u>

The Hinton collection is held at fair value. The Hinton collection was independently valued by Jon Dwyer from Dwyer Fine Arts on 18 June 2008.

### Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Collection Assets	Total
	\$	\$
Balance at the beginning of year	36,467,320	36,467,320
Carrying amount at the end of year	<u>36,467,320</u>	<u>36,467,320</u>

### 6 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	15,724	16,975
	<u>15,724</u>	<u>16,975</u>

### 7 Related party transactions

The trustee acts in an honorary capacity and receives no compensation for its services.

There were no related party transactions during the financial year.



# Howard Hinton Trust

ABN: 23 559 426 439

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 8 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Net income for the period	62,210	36,555,195
Cash flows excluded from profit attributable to operating activities		
Gain on recognition of trust	-	(36,467,320)
(Increase)/decrease in trade and term receivables	(103,527)	-
(Increase)/decrease in prepayments	1,251	(16,976)
Cashflow from operations	<u>(40,066)</u>	<u>70,899</u>

#### Non-cash Financing and Investing Activities

##### Acquisitions not reflected in Statement of Cash Flows

During the year ended 30 June 2009 the Hinton collection was recognised at fair value in the balance sheet of the Trust. This acquisition is not reflected in the Statement of Cash Flows as it was a non-cash transaction.

### 9 Economic Dependence

The trust is economically dependent on New England Regional Art Museum Limited and controlled entities to fund the housing, insuring, preserving, maintaining, conserving, restoring, presenting and promoting of the Hinton Collection.

### 10 Trust Details

The registered office and principal place of business of the trust is C/O NERAM Limited, Kentucky Street, Armidale, NSW, 2350.

# Howard Hinton Trust

ABN: 23 559 426 439

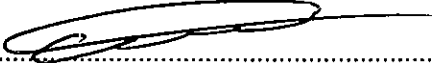
## Trustee's Declaration

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 4 to 11, present fairly the trust's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the trustee company.

Director .....  .....

Director .....  .....

Dated 5 November 2010

## Howard Hinton Trust

ABN: 23 559 426 439

**Independent Audit Report to the members of  
Howard Hinton Trust**

92 Rusden Street

PO Box 114

Armidale NSW 2350

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e [armidale@forsyths.com.au](mailto:armidale@forsyths.com.au)

Forsyths Business Services Pty Ltd

ABN 66 182 781 401

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Howard Hinton Trust, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the trustee's declaration.

### The Responsibility of the Trustee for the Financial Report

The directors of the trustee company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial report 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

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

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

# Howard Hinton Trust

ABN: 23 559 426 439

## Independent Audit Report to the members of Howard Hinton Trust

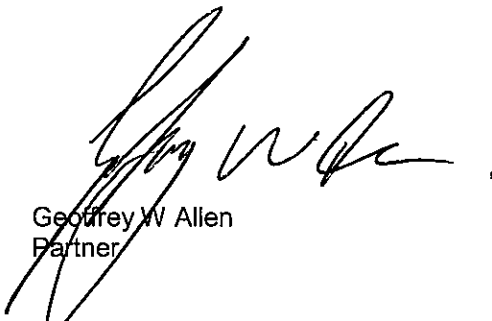
### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Howard Hinton Trust as of 30 June 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Forsyths



Geoffrey W Allen  
Partner

92 Rusden Street, Armidale NSW

5 November 2010

# **New England Regional Art Museum Foundation**

ABN: 62 340 058 963

## **Financial Statements**

For the Year Ended 30 June 2010

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

For the Year Ended 30 June 2010

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# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Trustee's Report

30 June 2010

Your directors present their report on the trust for the financial year ended 30 June 2010.

### Trustee

The trustee at the date of this report is NERAM Limited.

### Principal Activities

The principal activities of New England Regional Art Museum Foundation during the financial year was the raising and management of funds for the maintenance and care of artwork collections held in trust and in the care and control of NERAM Limited and promoting and enriching cultural awareness and education with the cultural and artistic fields.

No significant change in the nature of these activities occurred during the year.

### Operating Results

The Surplus of the trust amounted to \$ 51,754.

### Significant Changes in State of Affairs

No significant changes in the trust's state of affairs occurred during the financial year.

### After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the trust, the results of those operations or the state of affairs of the trust in future financial years.

### Future Developments, Prospects and Business Strategies

The trust will continue to carry on the principal activities noted above. There are no likely developments in the activities in the future years which will affect the results and therefore require disclosure.

Signed in accordance with a resolution of the Board of Directors:

Director ..... 

Director ..... 

Dated 5 November 2010

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	59,617	73,489
Fundraising Expenses		(5,625)	(6,577)
Other operating expenses		(2)	(24)
<b>Profit for the year</b>		<b>53,990</b>	<b>66,888</b>
<b>Other comprehensive income:</b>			
Unrealised gain/(loss) on available for sale financial assets		(2,236)	-
<b>Total comprehensive income for the year</b>		<b>51,754</b>	<b>66,888</b>

The accompanying notes form part of these financial statements.



# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Statement of Financial Position

30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	3	24,224	64,215
Trade and other receivables	4	22,425	9,250
<b>Total current assets</b>		<b>46,649</b>	<b>73,465</b>
Financial assets	5	77,618	-
<b>Total non-current assets</b>		<b>77,618</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>124,267</b>	<b>73,465</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	6	5,625	6,577
<b>Total current liabilities</b>		<b>5,625</b>	<b>6,577</b>
<b>TOTAL LIABILITIES</b>		<b>5,625</b>	<b>6,577</b>
<b>NET ASSETS</b>		<b>118,642</b>	<b>66,888</b>
<b>FUNDS</b>			
General Funds		118,642	66,888
<b>TOTAL FUNDS</b>		<b>118,642</b>	<b>66,888</b>

The accompanying notes form part of these financial statements.

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Statement of Changes in Equity

For the Year Ended 30 June 2010

### 2010

	General Funds	Total
	\$	\$
Balance at 1 July 2009	66,888	66,888
Total comprehensive income for the year	51,754	51,754
Balance at 30 June 2010	<u>118,642</u>	<u>118,642</u>

### 2009

	General Funds	Total
	\$	\$
Total comprehensive income for the year	<u>66,888</u>	<u>66,888</u>
Balance at 30 June 2009	<u>66,888</u>	<u>66,888</u>

The accompanying notes form part of these financial statements.

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash from operating activities:</b>			
Other income		-	30
Payments to suppliers		(6,579)	(24)
Donations received		26,481	51,950
Interest received		1,346	3
Proceeds and Fundraising		18,615	12,256
<b>Net cash provided by (used in) operating activities</b>	8	<b>39,863</b>	<b>64,215</b>
 Purchase of investments		 (79,854)	 -
<b>Net cash provided by (used in) investing activities</b>		<b>(79,854)</b>	<b>-</b>
 <b>Net increase (decreases) in cash held</b>		 <b>(39,991)</b>	 <b>64,215</b>
Cash at beginning of financial year		64,215	-
<b>Cash at end of financial year</b>	3	<b>24,224</b>	<b>64,215</b>

The accompanying notes form part of these financial statements.

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies

#### (a) General information

The financial report covers New England Regional Art Museum Foundation as an individual entity. New England Regional Art Museum Foundation is a discretionary trust, established and domiciled in Australia.

#### (b) Basis of preparation

##### Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Trust Deed.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the Trust Deed. Such accounting policies are consistent with the previous period unless otherwise stated.

AASB 101: Presentation of Financial Statements:

AASB 107: Cash Flow Statements:

AASB 1031: Materiality: and

AASB 110: Events after the Balance Sheet Date

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The material accounting policies have been adopted in the preparation of this report are as follows:

#### (c) Revenue

Donations and bequests are brought to account in the Income Statement when they are received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

#### (d) Income taxes

The trust is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. The exemption has been confirmed by the Australian Taxation Office. The trust holds deductible gift recipient status.

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### 2 Revenue

	2010 \$	2009 \$
Revenue		
- Interest received	1,346	3
- Donations	39,655	61,200
- Proceeds from Fundraising	18,616	12,256
- Other revenue	-	30
Total Revenue	59,617	73,489

### 3 Cash and cash equivalents

	2010 \$	2009 \$
Cash at bank	24,214	64,205
Other cash and cash equivalents	10	10
	24,224	64,215

### 4 Trade and other receivables

	2010 \$	2009 \$
Trade receivables	22,365	9,250
Tax payable	60	-
Total	22,425	9,250

# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 5 Other Financial Assets

	Note	2010 \$	2009 \$
NON-CURRENT			
Available for sale financial assets	5(a)	77,618	-
Total Non Current Assets		<u>77,618</u>	<u>-</u>

#### (a) Available-for-sale financial assets comprise

	2010 \$	2009 \$
Listed investments, at fair value		
Shares in listed corporations	77,618	-
Total available-for-sale financial assets	<u>77,618</u>	<u>-</u>

### 6 Trade and other payables

	2010 \$	2009 \$
CURRENT		
Unsecured liabilities		
Trade payables	5,625	6,577
	<u>5,625</u>	<u>6,577</u>

### 7 Related party transactions

The trustee acts in an honorary capacity and receives no compensation for its services.

There were no related party transactions during the financial year.

### 8 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010 \$	2009 \$
Net income for the period	51,754	66,889
Cash flows excluded from profit attributable to operating activities		
Unrealised gains/(losses) on investments	2,236	-
(Increase)/decrease in trade and term receivables	(13,175)	(9,250)
Increase/(decrease) in trade payables and accruals	(950)	6,576
Cashflow from operations	<u>39,863</u>	<u>64,215</u>

### 9 Trust Details

The registered office and principal place of business of the trust is C/o NERAM Limited, Kentucky Street, Armidale, NSW, 2350.

# New England Regional Art Museum Foundation


ABN: 62 340 058 963

## Trustee's Declaration

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 2 to 8, present fairly the trust's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the trustee company.

Director ..... 

Director ..... 

Dated 5 November 2010

## New England Regional Art Museum Foundation

ABN: 62 340 058 963

**Independent Audit Report to the members of  
New England Regional Art Museum Foundation**

92 Rusden Street

PO Box 114

Armidale NSW 2350

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*e* [armidale@forsyths.com.au](mailto:armidale@forsyths.com.au)

Forsyths Business Services Pty Ltd

ABN 66 182 781 401

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of New England Regional Art Museum Foundation, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the trustee's declaration.

### The Responsibility of the Directors for the Financial Report

The directors' of the trustee company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial report 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

**Knowledge with integrity**



# New England Regional Art Museum Foundation

ABN: 62 340 058 963

## Independent Audit Report to the members of New England Regional Art Museum Foundation

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of New England Regional Art Museum Foundation as of 30 June 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Forsyths



Geoffrey W Allen  
Principal

92 Rusden Street, Armidale NSW

5 November 2010