

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Principal Activities

The company's principal activities of the Group is 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, 8 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
M Larkin	8	8
A Murray	8	8
A Dangar	7	6
A Deakin	8	7
B Uren-Leece	8	6
P Lloyd	8	3
C Serow	8	4
C Cooper	8	7
R Laurie	8	6
M Guest	8	5
G Kirsch	1	1

Membership Details

The New England Regional Art Museum Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Ordinary members	351	\$ 10	\$ 3,510
Total	351	\$ 10	\$ 3,510

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



Director



Director

Dated 16 October 2013

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

ABN 47 131 297 731

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2013 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.

Crowe Horwath Central North



Logan Meehan
Registered Company Auditor (ASIC RAN 397211)
90 Rusden Street
Armidale NSW 2350

Dated 17 October 2013

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated		Parent	
	Note	2013 \$	2012 \$	2013 \$	2012 \$
Sales revenue	2	200,081	236,443	200,081	236,388
Cost of goods sold		<u>(97,558)</u>	<u>(99,144)</u>	<u>(97,558)</u>	<u>(99,144)</u>
Gross profit		<u>102,523</u>	<u>137,299</u>	<u>102,523</u>	<u>137,244</u>
Other revenue	2	<u>1,076,141</u>	<u>803,246</u>	<u>951,457</u>	<u>599,102</u>
Total revenue		<u>1,178,664</u>	<u>940,545</u>	<u>1,053,980</u>	<u>736,346</u>
Staff expenses		(319,639)	(268,593)	(319,639)	(268,593)
Depreciation expense	3	(25,725)	(26,629)	(25,725)	(26,629)
Finance costs	3	2,383	(2,190)	2,383	(2,190)
Occupancy expenses		(169,530)	(161,944)	(140,175)	(132,911)
Collection expenses		(18,865)	(8,852)	(18,865)	(8,852)
Public program expenses		(47,200)	(33,088)	(47,200)	(33,088)
Administration expenses		(15,349)	(20,561)	(15,349)	(19,823)
Marketing and promotion expenses		(15,678)	(22,116)	(14,878)	(15,405)
Project grant expenditure		(9,822)	(21,509)	(9,822)	(21,513)
General expenses		(39,874)	(35,495)	(39,874)	(35,493)
Shop expenses		(856)	(715)	(856)	(715)
Board expenses		<u>(7,829)</u>	<u>(8,206)</u>	<u>(7,664)</u>	<u>(8,206)</u>
Profit before income tax		<u>510,680</u>	<u>330,647</u>	<u>416,316</u>	<u>162,928</u>
Income tax expense	1(a)	-	-	-	-
Profit after income tax		<u>510,680</u>	<u>330,647</u>	<u>416,316</u>	<u>162,928</u>
Other comprehensive income					
Net gain on revaluation of Art Collections		2,429,960	1,000	369,610	-
Recognition of the yellow room		(221,071)	(125,375)	(221,071)	(125,375)
Unrealised gain/(loss) on available for sale asset		<u>31,251</u>	<u>(9,627)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>2,240,140</u>	<u>(134,002)</u>	<u>148,539</u>	<u>(125,375)</u>
Total comprehensive profit for the year		<u>\$ 2,750,820</u>	<u>\$ 196,645</u>	<u>\$ 564,855</u>	<u>\$ 37,553</u>
Total comprehensive income attributable to members of the entity		<u>\$ 2,750,820</u>	<u>\$ 196,645</u>	<u>\$ 564,855</u>	<u>\$ 37,553</u>

The accompanying notes form part of these financial statements.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

		Consolidated		Parent	
	Note	2013 \$	2012 \$	2013 \$	2012 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	731,579	633,179	425,673	384,999
Trade and other receivables	5	16,973	23,154	13,133	15,776
Inventories	6	44,094	52,690	44,094	52,690
Financial assets	7	136,264	95,535	-	-
Other current assets	9	29,746	27,857	8,100	6,078
TOTAL CURRENT ASSETS		958,656	832,415	491,000	459,543
NON CURRENT ASSETS					
Financial assets	7	199,063	158,082	-	-
Property, plant and equipment	8	44,189,400	41,420,642	3,789,480	3,081,072
TOTAL NON CURRENT ASSETS		44,388,463	41,578,724	3,789,480	3,081,072
TOTAL ASSETS		45,347,119	42,411,139	4,280,480	3,540,615
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	84,938	75,778	85,026	86,016
Provisions	11	10,880	14,348	10,880	14,348
Other liabilities	12	168,561	165,780	168,561	165,780
TOTAL CURRENT LIABILITIES		264,379	255,906	264,467	266,144
NON CURRENT LIABILITIES					
Other liabilities	12	154,491	198,875	154,491	198,875
TOTAL NON CURRENT LIABILITIES		154,491	198,875	154,491	198,875
TOTAL LIABILITIES		418,870	454,781	418,958	465,019
NET ASSETS		\$44,928,249	\$41,956,358	\$ 3,861,522	\$ 3,075,596
EQUITY					
Reserves	13	2,942,012	512,052	881,662	512,052
Yellow room appeal		346,446	125,375	346,446	125,375
Retained earnings		41,639,791	41,318,931	2,633,414	2,438,169
TOTAL EQUITY		\$44,928,249	\$41,956,358	\$ 3,861,522	\$ 3,075,596

The accompanying notes form part of these financial statements.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

<u>Parent</u>	Yellow Room Appeal \$	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2011	-	512,052	2,400,616	2,912,668
Profit after income tax	-	-	162,928	162,928
Total other comprehensive income for the year	-	-	(125,375)	(125,375)
Transfers to/(from) reserves	125,375	-	-	125,375
Balance at 30 June 2012	\$ 125,375	\$ 512,052	\$ 2,438,169	\$ 3,075,596
Profit after income tax	-	-	416,316	416,316
Total other comprehensive income for the year	-	-	148,539	148,539
Transfers to/(from) reserves	221,071	369,610	(369,610)	221,071
Balance at 30 June 2013	\$ 346,446	\$ 881,662	\$ 2,633,414	\$ 3,861,522
<u>Consolidated</u>				
Balance at 1 July 2011	-	512,052	41,122,286	41,634,338
Profit after income tax	-	-	330,647	330,647
Total other comprehensive income for the year	-	-	(134,002)	(134,002)
Transfers to/(from) reserves	125,375	-	-	125,375
Balance at 30 June 2012	\$ 125,375	\$ 512,052	\$ 41,318,931	\$41,956,358
Profit after income tax	-	-	510,680	510,680
Total other comprehensive income for the year	-	-	2,240,140	2,240,140
Transfers to/(from) reserves	221,071	2,429,960	(2,429,960)	221,071
Balance at 30 June 2013	\$ 346,446	\$ 2,942,012	\$ 41,639,791	\$44,928,249

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated		Parent	
	2013	2012	2013	2012
Note	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	1,027,921	1,099,371	1,048,004	904,654
Payments to suppliers and employees	(786,022)	(714,351)	(770,373)	(654,308)
Interest received	18,934	14,595	7,086	3,785
Net cash provided by (used in) operating activities	260,833	399,615	284,717	254,131
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	81,710	(171,423)	-	-
Proceeds from sale of artwork, plant and equipment, investments	47,950	65,092	47,950	36,332
Purchase of property, plant and equipment	(247,609)	(7,123)	(247,609)	(6,125)
Net cash (used in) provided by investing activities	(117,949)	(113,454)	(199,659)	30,207
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(44,384)	2,190	(44,384)	2,190
Net cash (used in) provided by financing activities	(44,384)	2,190	(44,384)	2,190
Net increase (decrease) in cash held	98,500	288,351	40,674	286,528
Cash at the beginning of the financial year	\$ 633,069	344,718	384,999	98,471
Cash at the end of the financial year	4 \$ 731,569	\$ 633,069	\$ 425,673	\$ 384,999

The accompanying notes form part of these financial statements.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

New England Regional Art Museum Limited have elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the entity has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements and AASB 2011-6: Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements. This is because the reduced disclosure requirements in AASB 2011-2 and AASB 2011-6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 16 October 2013 by the directors of the company.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income Tax

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 Tax Office. The company holds a deductible gift recipient status.

(b) Inventories

Inventory is recorded on a first in first out (FIFO) basis. Inventories are measured at the lower of cost and net realisable value.

(c) Property, Plant and Equipment

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

Collection Assets (Hinton, Coventry and Museum of Printing)

Collection assets (including artworks) are carried at fair value bases on independent and Directors valuations, The increase in value of these assets are recorded in the asset revaluation reserve.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in the statement of profit or loss and other comprehensive income or as a revaluation decrease if the impairment losses related to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment).

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

(c) Property, Plant and Equipment continued

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment, Furniture & Fittings	5 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss' in which case transactions costs are expensed to the statement of profit or loss and other comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contract terms) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

Fair value is determined based on current market bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Statement of Significant Accounting Policies

(d) Financial Instruments Continued

(i) Financial assets at fair value through profit and loss.

Financial assets are classified as 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investment to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Financial liabilities

Non-derivative financial liabilities, other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised through the statement of profit or loss and other comprehensive income through the amortisation process and when the financial liability is recognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more event (a "loss event") has occurred, which has an impact of the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments' indication that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortise cost (including loans and receivable), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at the point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

Then the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

(d) Financial Instruments Continued

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that an asset has been impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Long service leave is accrued after an employee reaches five years of service. 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 the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) 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.

(i) Revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant and it is probably 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.

Donations and bequests are recognised as revenue when received.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

(i) Revenue Continued

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

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

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgement incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the company.

Key estimates — Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(n) 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.

(o) Reserve - Yellow Room

In 2011/12 The Yellow Room Appeal Committee was established by NERAM to raise funds to purchase for the Howard Hinton Collection Margaret Olley's The Yellow Room Triptych 2007. The Yellow Room Reserve records funds received to date for the acquisition.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

(p) Changes in Accounting Policies

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

Presentation of items of other comprehensive income (OCI)

As a result of early adopting AASB 2012-7, which includes amendments to disclosure requirements arising from the Tier 1 (full disclosure) Standard AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income that became mandatorily applicable from 1 July 2012, the following changes to the presentation of the company's financial statements were made during the year:

- Items of OCI were grouped into:
 - items that will not be reclassified subsequently to the profit or loss; and
 - those that will be reclassified subsequently to profit or loss when specific circumstances occur; and
- the title "income statement" was changed to "statement of profit or loss". Although other titles are also permitted, the company has decided to use the title "statement of profit or loss".

The adoption of AASB 2011-9 only changed the presentation of the company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the company's financial statements.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 2: Revenue				
Operating activities:				
Shop sales	92,753	117,742	92,753	117,687
Collections income	(23,783)	1,460	(23,783)	1,460
Public programmes income	131,111	117,241	131,111	117,241
Total revenue from operating activities	200,081	236,443	200,081	236,388
Non-operating activities:				
Arts NSW project	32,640	-	32,640	-
Margaret Olley trust	79,757	-	79,757	-
Arts NSW	40,000	71,500	40,000	71,500
Armidale Dumaresq Council funding	397,584	389,284	297,584	289,284
Capital infrastructure	33,000	-	33,000	-
UNESAP funding	5,409	5,000	5,409	5,000
Gordon Darling project	-	15,000	-	15,000
Regional Arts NSW - CASP funding	-	3,390	-	3,390
Besen family foundation	-	5,000	-	5,000
Royal Historical society	364	500	364	500
Community heritage funding	-	8,500	-	8,500
Yellow room appeal	221,071	125,375	221,071	125,375
Interest received	18,934	14,595	7,086	3,785
Fundraising and sponsorship	31,587	55,731	30,682	21,794
Donations	176,258	67,024	182,133	29,356
Dividend income	10,521	9,979	-	-
Membership income	15,785	14,144	15,785	14,144
Conservation funds - Coventry Collection	5,575	11,750	-	-
Other income	7,656	6,474	5,946	6,474
Total revenue from non-operating activities	1,076,141	803,246	951,457	599,102
Total revenue	\$ 1,276,222	\$ 1,039,689	\$ 1,151,538	\$ 835,490
Note 3: Profit for the Year				
Depreciation expense	\$ 25,725	\$ 26,629	\$ 25,725	\$ 26,629
Finance costs	\$ (2,383)	\$ 2,190	\$ (2,383)	\$ 2,190
Note 4: Cash and Cash Equivalents				
Cash on hand	250	250	250	250
Cash at bank	731,329	632,929	425,423	384,749
	731,579	\$ 633,179	\$ 425,673	\$ 384,999
(a) Reconciliation of cash and cash equivalents				
Cash and cash equivalents 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	731,579	633,179	425,673	384,999
	\$ 731,579	\$ 633,179	\$ 425,673	\$ 384,999

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 5: Trade and Other Receivables				
CURRENT				
Trade receivables	13,782	16,425	13,782	16,425
Less: Provision for impairment	(649)	(649)	(649)	(649)
	13,133	15,776	13,133	15,776
Other receivables	3,840	7,378	-	-
	\$ 16,973	\$ 23,154	\$ 13,133	\$ 15,776

Note 6: Inventories

CURRENT

Stock on Hand, at cost:

Art stock

NERAM shop inventory

	19,120	19,120	19,120	19,120
	24,974	33,570	24,974	33,570
	\$ 44,094	\$ 52,690	\$ 44,094	\$ 52,690

Note 7: Financial assets

Available-for-sale financial assets

Held-to-maturity financial assets

	199,063	158,082	-	-
	136,264	95,535	-	-
	\$ 335,327	\$ 253,617	\$ -	\$ -

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

- shares in listed corporations, at fair value

	\$ 199,063	\$ 253,617	\$ -	\$ -
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Available-for-sale assets comprise investments in the ordinary issued capital of Aristocrat. There are no fixed returns from fixed maturity dates attached to these assets.

	Consolidated		Parent	
	Shares in listed companies \$	Total \$	Shares in listed companies \$	Total \$
Opening balance at 1 July 2012	158,082	158,082	-	-
Fair value remeasurement	40,981	40,981	-	-
Closing balance at 30 June 2013	\$ 199,063	\$ 199,063	\$ -	\$ -

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
(b) Held-to-maturity financial assets comprise:				
- term deposits	\$ 136,264	\$ 95,535	\$ -	\$ -

Held-to-maturity assets comprise term deposits and unsecured notes with financial institutions. There are fixed rate returns upon maturity of these assets.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 8: Property, Plant & Equipment				
Plant and Equipment				
Plant and equipment	224,775	193,167	224,775	193,167
Less: Accumulated depreciation	(93,321)	(70,096)	(93,321)	(70,096)
	131,454	123,071	131,454	123,071
Motor vehicle	17,500	17,500	17,500	17,500
Less: Accumulated depreciation	(15,000)	(12,500)	(15,000)	(12,500)
	2,500	5,000	2,500	5,000
NERAM collection (at fair value)	3,214,150	2,727,385	3,214,150	2,727,385
	3,214,150	2,727,385	3,214,150	2,727,385
Museum of Printing Collection (at fair value)	225,376	225,616	225,376	225,616
	225,376	225,616	225,376	225,616
Yellow room	216,000	-	216,000	-
	216,000	-	216,000	-
Hinton Collection (at fair value)	37,441,320	35,450,770	-	-
	37,441,320	35,450,770	-	-
Coventry Collection (at fair value)	2,958,600	2,888,800	-	-
	2,958,600	2,888,800	-	-
Total Plant and Equipment	\$44,189,400	\$41,420,642	\$ 3,789,480	\$ 3,081,072

(a) Movements in carrying amounts

Parent Entity

	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	2,953,001	5,000	123,071	3,081,072
Additions	380,866	-	31,608	412,474
Disposals	(47,950)	-	-	(47,950)
Revaluations	369,609	-	-	369,609
Depreciation expense	-	(2,500)	(23,225)	(25,725)
Carrying amount at the end of the year	\$ 3,655,526	\$ 2,500	\$ 131,454	\$ 3,789,480

Consolidated Entity

	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	41,292,571	5,000	123,071	41,420,642
Additions	380,865	-	31,608	412,473
Disposals	(47,950)	-	-	(47,950)
Revaluations	2,429,960	-	-	2,429,960
Depreciation expense	-	(2,500)	(23,225)	(25,725)
Carrying amount at the end of the year	\$44,055,446	\$ 2,500	\$ 131,454	\$44,189,400

The NERAM, Museum of Printing, Hinton and Coventry collections are held at fair value. These collections were independently valued by Matt Henry from Matt Henry Art Broker in October 2012.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 9: Other Assets				
CURRENT				
Prepayments	26,224	22,789	8,100	6,078
Accrued income	3,522	5,068	-	-
	<u>\$ 29,746</u>	<u>\$ 27,857</u>	<u>\$ 8,100</u>	<u>\$ 6,078</u>
Note 10: Trade and Other Payables				
CURRENT				
Unsecured liabilities;				
Trade payables	58,850	50,566	58,850	50,566
Sundry payables and accrued expenses	26,088	25,212	26,176	35,450
	<u>\$ 84,938</u>	<u>\$ 75,778</u>	<u>\$ 85,026</u>	<u>\$ 86,016</u>

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 11: Provisions

Parent

	Employee Benefits \$	Total \$
Opening balance at 1 July 2012	14,348	14,348
Additional provisions raised during the year	14,707	14,707
Additional provisions used during the year	(18,175)	(18,175)
Balance at 30 June 2013	<u>\$ 10,880</u>	<u>\$ 10,880</u>

Consolidated

	Employee Benefits \$	Total \$
Opening balance at 1 July 2012	14,348	14,348
Additional provisions raised during the year	14,707	14,707
Additional provisions used during the year	(18,175)	(18,175)
Balance at 30 June 2013	<u>\$ 10,880</u>	<u>\$ 10,880</u>

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
Analysis of total provisions				
Current	10,880	14,348	10,880	14,348
	<u>\$ 10,880</u>	<u>\$ 14,348</u>	<u>\$ 10,880</u>	<u>\$ 14,348</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. Long service leave is accrued after an employee reaches five years of service. 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 the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

Note 12: Other Liabilities

CURRENT

Income received in advance	84,561	81,780	84,561	81,780
Armidale Dumaresq Council debt	84,000	84,000	84,000	84,000
	<u>\$ 168,561</u>	<u>\$ 165,780</u>	<u>\$ 168,561</u>	<u>\$ 165,780</u>

NON-CURRENT

Armidale Dumaresq Council debt	154,491	198,875	154,491	198,875
	<u>\$ 154,491</u>	<u>\$ 198,875</u>	<u>\$ 154,491</u>	<u>\$ 198,875</u>

The interest free debt to Armidale Dumaresq Council is recorded at net present value. The total amount owing at 30 June 2013 is \$239,491, including GST, and is repayable over the next 6 years in equal instalments. Armidale Dumaresq Council 20 year funding agreement is conditional on the repayment of this.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 13: Reserves

The revaluation reserve records revaluations of non-current assets at fair value.

Yellow Room

The Yellow Room reserve records the funds received to date for the acquisition of Margaret Olley's "The Yellow Room Triptych 2007".

The reserve is comprised of

- cash at bank	130,446	125,375	130,446	125,375
- deposits	216,000	-	216,000	-
	<u>\$ 346,446</u>	<u>\$ 125,375</u>	<u>\$ 346,446</u>	<u>\$ 125,375</u>

Note 14: Events After the End of the Reporting Period

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

Note 15: Financial Risk Management

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

The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated		Parent	
		2013	2012	2013	2012
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	4	731,579	633,179	425,673	384,999
Trade and other receivables	5	16,973	23,154	13,133	15,776
Financial assets	7	335,327	253,617	-	-
		<u>\$ 1,083,891</u>	<u>\$ 909,950</u>	<u>\$ 438,806</u>	<u>\$ 400,775</u>
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	10	84,938	75,778	85,026	86,016
Armidale Dumaresq Council debt	12	238,491	282,875	238,491	282,875
		<u>\$ 323,429</u>	<u>\$ 358,653</u>	<u>\$ 323,517</u>	<u>\$ 368,891</u>

Note 16: Economic Dependence

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

Note 17: Controlled Entities

The parent entity acts as a trustee for the following trusts: Howard Hinton Trust, Chandler Coventry Trust, New England Regional Art Museum Foundation.

Note 18: Capital Commitments

At balance date the Company had entered into a contract for the purchase of Margaret Olley's "The Yellow Room Triptych 2007". The value of the items contracted for but not capitalised in the financial statements amounted to \$184,000.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2013**

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 30 to 45, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards Reduced Disclosure Regime and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company;
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 16 October 2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

ABN 47 131 297 731

Report on the financial report

We have audited the accompanying financial report of New England Regional Art Museum Limited and its controlled entities, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards' - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors New England Regional Art Museum Limited and its controlled entities on 16 October 2013, would be in the same terms if given to the directors as at the time of this auditors' report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

ABN 47 131 297 731

Basis of Qualified Audit Opinion

As is common for organisations of this type, it is not practicable for the Company to maintain an effective system of internal control over some revenue activities including donations and fundraising income until their initial entry in the accounting records. Accordingly, our audit in relation to the above was limited to the amounts recorded.

Audit Opinion

When reporting in accordance with a fair presentation framework (Australian Accounting Standards – Reduced Disclosure Requirements), except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of New England Regional Art Museum Limited and its controlled entities 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 2013 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Crowe Horwath Central North



Logan Meehan
Registered Company Auditor (ASIC RAN 397211)
90 Rusden Street
Armidale NSW 2350

Dated 17 October 2013

CHANDLER COVENTRY TRUST

ABN 79 543 509 572

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

CHANDLER COVENTRY TRUST

ABN 79 543 509 572

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenues	2	7,633	11,750
Other expenses		<u>(165)</u>	<u>-</u>
Surplus before income tax expense		<u>7,468</u>	<u>11,750</u>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Surplus after income tax expense		<u>7,468</u>	<u>11,750</u>
Other comprehensive income for the year, net of tax		<u>69,800</u>	<u>-</u>
Total comprehensive income for the year		<u>\$ 77,268</u>	<u>\$ 11,750</u>

CHANDLER COVENTRY TRUST
ABN 79 543 509 572
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	<u>19,218</u>	<u>11,750</u>
TOTAL CURRENT ASSETS		<u>19,218</u>	<u>11,750</u>
NON CURRENT ASSETS			
Property, plant and equipment	4	<u>2,958,600</u>	<u>2,888,800</u>
TOTAL NON CURRENT ASSETS		<u>2,958,600</u>	<u>2,888,800</u>
TOTAL ASSETS		<u>2,977,818</u>	<u>2,900,550</u>
NET ASSETS		<u>\$ 2,977,818</u>	<u>\$ 2,900,550</u>
EQUITY			
Reserves	5	<u>69,800</u>	<u>-</u>
Accumulated funds		<u>2,908,018</u>	<u>2,900,550</u>
TOTAL EQUITY		<u>\$ 2,977,818</u>	<u>\$ 2,900,550</u>

CHANDLER COVENTRY TRUST

ABN 79 543 509 572

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Revaluation Reserve \$	Accumulated Funds \$	Total \$
Balance at 1 July 2011	-	2,888,800	2,888,800
Total comprehensive income	-	11,750	11,750
Balance at 30 June 2012	-	2,900,550	2,900,550
Total comprehensive income	-	77,268	77,268
Transfer to/(from) reserve	69,800	(69,800)	-
Balance at 30 June 2013	\$ 69,800	\$ 2,908,018	\$ 2,977,818

CHANDLER COVENTRY TRUST
ABN 79 543 509 572
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,275	11,750
Interest received		358	-
Payments to suppliers		(165)	-
Net cash (used in)/provided by operating activities		7,468	11,750
Net (decrease)/increase in cash held		7,468	11,750
Cash at the beginning of the financial year		11,750	-
Cash at the end of the financial year	3	\$ 19,218	\$ 11,750

CHANDLER COVENTRY TRUST
ABN 79 543 509 572
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Statement of Significant Accounting Policies

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed and the information needs of stakeholders.

The financial statements have been prepared in accordance with the significant accounting policies described below, which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial report have been prepared on an accruals basis and is based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 16 October 2013 by the directors of the trustee company.

(a) Income Tax

The committee consider that the association is exempt from income tax under Division 50-5 of the Income Tax Assessment Act of 1997.

(b) 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.

(c) Property, Plant and Equipment

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

Collection Assets

Collection assets (including artworks) are carried at fair value based on independent and Directors valuations. The increase in value of these assets are recorded in the asset revaluation reserve.

(d) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donations and bequests are brought to account in the statement of comprehensive income when they are received.

(f) Goods and Services Tax

The trust is not registered for Goods and Services Tax (GST). As a result all balances are recorded inclusive of GST.

(g) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

CHANDLER COVENTRY TRUST
ABN 79 543 509 572
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 2: Revenue		
Operating activities:		
Conservation funds	5,575	11,750
Non-operating activities:		
Interest received from other persons	358	-
Donations	1,700	-
Total revenue	<u>\$ 7,633</u>	<u>\$ 11,750</u>
Note 3: Cash and Cash Equivalents		
Cash at bank	19,218	11,750
	<u>\$ 19,218</u>	<u>\$ 11,750</u>
Note 4: Property, Plant and Equipment		
Collection Assets (at fair value)		
Coventry Collection	2,958,600	2,888,800
	<u>2,958,600</u>	<u>2,888,800</u>
Total Collection Assets	<u>\$ 2,958,600</u>	<u>\$ 2,888,800</u>
(a) Movements in carrying amounts		
	Collection Assets	Total
Balance at the beginning of the year	2,888,800	2,888,800
Revaluations	69,800	69,800
Carrying amount at the end of the year	<u>\$ 2,958,600</u>	<u>\$ 2,958,600</u>

The Coventry Collection is held at fair value. The Coventry Collection was valued by Matt Henry Art Specialist in October 2012.

Note 5: Asset Revaluation Reserve

The revaluation surplus records the revaluations of non-current assets where revaluations are deemed to represent profits of a permanent nature.

Note 6: Economic Dependence

The Trust is economically dependent on the 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.

CHANDLER COVENTRY TRUST

ABN 79 543 509 572

**STATEMENT BY DIRECTORS OF THE TRUST
FOR THE YEAR ENDED 30 JUNE 2013**

The directors of the trustee company have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In accordance with a resolution of the Board of Directors, the directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 6. Present fairly the trust's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the trustees' 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.



Director



Director

Dated 16 October 2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CHANDLER COVENTRY TRUST**

ABN 79 543 509 572

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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 basis of preparation described in Note 1 to the financial report, which form part of the financial statements, are appropriate to meet the needs of the members.

The director's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of a 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.

Auditors' 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and to plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 of the financial statements 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 evaluation the overall presentation of the financial report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CHANDLER COVENTRY TRUST**

ABN 79 543 509 572

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

Independence

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

Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting requirements of the members and Trustee. As a result, the financial report may not be suitable for any other purpose.

Crowe Horwath Central North



Logan Meehan
Registered Company Auditor (ASIC RAN 397211)
90 Rusden Street
Armidale NSW 2350

Dated: 17 October 2013

HOWARD HINTON TRUST

ABN 23 559 426 439

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

HOWARD HINTON TRUST

ABN 23 559 426 439

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenues	2	109,768	109,545
Operating expenses		<u>(29,356)</u>	<u>(29,053)</u>
Surplus before income tax expense		<u>80,412</u>	<u>80,492</u>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Surplus after income tax expense		<u>80,412</u>	<u>80,492</u>
Other comprehensive income for the year, net of tax		<u>1,990,550</u>	<u>-</u>
Total comprehensive income for the year		<u>\$ 2,070,962</u>	<u>\$ 80,492</u>

HOWARD HINTON TRUST
ABN 23 559 426 439
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	263,874	189,524
Financial assets	4	100,612	95,535
Other assets	5	20,914	20,179
TOTAL CURRENT ASSETS		385,400	305,238
NON CURRENT ASSETS			
Property, plant and equipment	6	37,441,320	35,450,770
TOTAL NON CURRENT ASSETS		37,441,320	35,450,770
TOTAL ASSETS		37,826,720	35,756,008
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	-	250
TOTAL CURRENT LIABILITIES		-	250
TOTAL LIABILITIES		-	250
NET ASSETS		\$ 37,826,720	\$ 35,755,758
EQUITY			
Reserves	8	1,991,550	1,000
Accumulated funds		35,835,170	35,754,758
TOTAL EQUITY		\$ 37,826,720	\$ 35,755,758

HOWARD HINTON TRUST

ABN 23 559 426 439

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Asset Revaluation Reserve \$	Accumulated Funds \$	Total \$
Balance at 1 July 2011	1,000	35,674,266	35,675,266
Transfer to/(from) reserve	-	-	-
Total comprehensive income	-	80,492	80,492
Balance at 30 June 2012	1,000	35,754,758	35,755,758
Transfer to/(from) reserve	1,990,550	(1,990,550)	-
Total comprehensive income	-	2,070,962	2,070,962
Balance at 30 June 2013	\$ 1,991,550	\$ 35,835,170	\$ 37,826,720

HOWARD HINTON TRUST
ABN 23 559 426 439
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		100,000	100,055
Interest received		9,768	9,490
Payments to suppliers		<u>(30,341)</u>	<u>(28,087)</u>
Net cash (used in)/provided by operating activities		<u>79,427</u>	<u>81,458</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investments		<u>(5,077)</u>	<u>(5,535)</u>
Net cash used in investing activities		<u>(5,077)</u>	<u>(5,535)</u>
Net (decrease)/increase in cash held		74,350	75,923
Cash at the beginning of the financial year		<u>189,524</u>	<u>113,601</u>
Cash at the end of the financial year	3	<u>\$ 263,874</u>	<u>\$ 189,524</u>

HOWARD HINTON TRUST

ABN 23 559 426 439

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Significant Accounting Policies

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed and the information needs of stakeholders.

The financial statements have been prepared in accordance with the significant accounting policies described below, which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial report have been prepared on an accruals basis and is based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 16 October 2013 by the directors of the trustee company.

(a) Income Tax

The trustees consider that the trust is exempt from income tax under Division 50-5 of the Income Tax Assessment Act of 1997.

(b) 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.

(c) Property, Plant and Equipment

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

Collection Assets

Collection assets (including artworks) are carried at fair value based on independent and Directors valuations, The increase in value of these assets are recorded in the asset revaluation reserve.

(d) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donations and bequests are brought to account in the statement of comprehensive income when they are received.

(f) Goods and Services Tax

The trust is not registered for Goods and Services Tax (GST). As a result all balances are recorded inclusive of GST.

(g) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

HOWARD HINTON TRUST
ABN 23 559 426 439
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Note 2: Revenue		
Operating activities:		
Armidale Dumaresq Council contribution	100,000	100,000
Other revenue	-	55
Non-operating activities:		
Interest received from other persons	9,768	9,490
Total revenue	\$ 109,768	\$ 109,545
Note 3: Cash and Cash Equivalents		
Cash at bank	263,874	189,524
	\$ 263,874	\$ 189,524
Note 4: Financial Assets		
CURRENT		
Term deposits	100,612	95,535
	\$ 100,612	\$ 95,535
Note 5: Other Assets		
CURRENT		
Accrued income	2,790	3,468
Prepaid expenses	18,124	16,711
	\$ 20,914	\$ 20,179
Note 6: Property, Plant and Equipment		
Collection Assets (at fair value)		
Hinton Collection	37,441,320	35,450,770
	37,441,320	35,450,770
Total Collection Assets	\$ 37,441,320	\$ 35,450,770
(a) Movements in carrying amounts		
	Collection Assets	Total
Balance at the beginning of the year	35,450,770	35,450,770
Revaluation	1,990,550	1,990,550
Carrying amount at the end of the year	\$ 37,441,320	\$ 37,441,320

The Hinton collection is held at fair value. The Hinton Collection was independently valued by Matt Henry Art Specialist Arts in October 2012.

HOWARD HINTON TRUST
ABN 23 559 426 439
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Note 7: Trade and Other Payables		
CURRENT		
Other payables	-	250
	<u>\$ -</u>	<u>\$ 250</u>

Note 8: Asset Revaluation Reserve

The revaluation surplus records the revaluations of non-current assets where revaluations are deemed to represent profits of a permanent nature.

Note 9: Economic Dependence

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

HOWARD HINTON TRUST

ABN 23 559 426 439

**STATEMENT BY DIRECTORS OF THE TRUST
FOR THE YEAR ENDED 30 JUNE 2013**

The directors of the trustee company have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In accordance with a resolution of the Board of Directors, the directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 7 present fairly the trust's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the trustees' 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.



Director



Director

Dated 16 October 2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HOWARD HINTON TRUST**

ABN 23 559 426 439

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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 basis of preparation described in Note 1 to the financial report, which form part of the financial statements, are appropriate to meet the needs of the members.

The director's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of a 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.

Auditors' 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and to plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 of the financial statements 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 evaluation the overall presentation of the financial report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HOWARD HINTON TRUST**

ABN 23 559 426 439

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

Independence

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

Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting requirements of the members and Trustee. As a result, the financial report may not be suitable for any other purpose.

Crowe Horwath Central North



Logan Meehan
Registered Company Auditor (ASIC RAN 397211)
90 Rusden Street
Armidale NSW 2350

Dated: 17 October 2013

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenues	2	16,283	82,904
Fundraising and donation expenses		(726)	(6,711)
Distributions to deductible gift recipients		(9,000)	-
Other expenses		(74)	(717)
Surplus before income tax expense		6,483	75,476
Income tax expense	1(a)	-	-
Surplus after income tax expense		6,483	75,476
Other comprehensive income for the year, net of tax -			
Unrealised gain/(loss) on available for sale financial assets		31,251	(9,627)
Total comprehensive income for the year		\$ 37,734	\$ 65,849

The accompanying notes form part of these financial statements.

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	22,814	46,906
Trade and other receivables	4	3,928	7,378
Other assets	5	732	12,130
Financial assets	6	35,652	-
TOTAL CURRENT ASSETS		63,126	66,414
NON CURRENT ASSETS			
Financial assets	6	199,063	158,082
TOTAL NON CURRENT ASSETS		199,063	158,082
TOTAL ASSETS		262,189	224,496
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	-	41
TOTAL CURRENT LIABILITIES		-	41
TOTAL LIABILITIES		-	41
NET ASSETS		\$ 262,189	\$ 224,455
EQUITY			
Accumulated funds		262,189	224,455
TOTAL EQUITY		\$ 262,189	\$ 224,455

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 2013

	Accumulated Funds \$	Total \$
Balance at 1 July 2011	158,606	158,606
Surplus/(deficit) after income tax expense	75,476	75,476
Other comprehensive income for the year	<u>(9,627)</u>	<u>(9,627)</u>
Balance at 30 June 2012	<u>224,455</u>	<u>224,455</u>
Surplus/(deficit) after income tax expense	6,483	6,483
Other comprehensive income for the year	<u>31,251</u>	<u>31,251</u>
Balance at 30 June 2013	<u>\$ 262,189</u>	<u>\$ 262,189</u>

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,047	59,385
Dividends received		9,439	7,517
Interest received		1,722	1,320
Payments to suppliers		(9,918)	(7,428)
Net cash (used in)/provided by operating activities		21,290	60,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	19,344
Payment for investments		(45,382)	(75,878)
Net cash used in investing activities		(45,382)	(56,534)
Net (decrease)/increase in cash held		(24,092)	4,260
Cash at the beginning of the financial year		46,906	42,646
Cash at the end of the financial year		\$ 22,814	\$ 46,906

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 2013

Note 1: Statement of Significant Accounting Policies

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed and the information needs of stakeholders.

The financial statements have been prepared in accordance with the significant accounting policies described below, which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial report have been prepared on an accruals basis and is based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 16 October 2013 by the directors of the trustee company.

(a) Income Tax

The trustees consider that the association is exempt from income tax under Division 50-5 of the Income Tax Assessment Act of 1997.

(b) 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.

(c) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive dividends has been established.

Donations and bequests are brought to account in the statement of comprehensive income when they are received.

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

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

		2013	2012
		\$	\$
Note 2: Revenue			
Operating activities:			
Donations		3,135	50,668
Proceeds from fundraising		905	20,937
Non-operating activities:			
Interest received from other persons		1,722	1,320
Dividends received from other persons		10,521	9,979
Total revenue		\$ 16,283	\$ 82,904
Note 3: Cash and Cash Equivalents			
Cash at bank		22,804	46,896
Other cash and cash equivalents		10	10
		\$ 22,814	\$ 46,906
Note 4: Trade and Other Receivables			
CURRENT			
Other receivables		3,840	7,378
GST receivable		88	-
		\$ 3,928	\$ 7,378
Note 5: Other Assets			
CURRENT			
Accrued income		732	12,130
		\$ 732	\$ 12,130
Note 6: Financial assets			
Held-to-maturity financial assets	6(b)	35,652	-
Available-for-sale financial assets	6(a)	199,063	158,082
		234,715	158,082
Less non-current portion		199,063	-
Current portion		\$ 35,652	\$ 158,082
(a) Available-for-sale financial assets comprise:			
- shares in listed corporations		199,063	158,082
		\$ 199,063	\$ 158,082
Available-for-sale assets comprise investments in the ordinary issued capital of listed corporations. There are no fixed returns from fixed maturity dates attached to these assets.			
(b) Held-to-maturity financial assets comprise:			
- term deposits		35,652	-
		\$ 35,652	\$ -
Held-to-maturity assets comprise term deposits and unsecured notes with financial institutions. There are fixed rate returns upon maturity of these assets.			

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 7: Trade and Other Payables		
CURRENT		
GST payable	-	41
	<u>\$ -</u>	<u>\$ 41</u>

Note 8: Economic Dependence

The Trust is economically dependent on the New England Regional Art Museum Limited.

NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION

ABN 62 340 058 963

**STATEMENT BY DIRECTORS OF THE TRUST
FOR THE YEAR ENDED 30 JUNE 2013**

The directors of the trustee company have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In accordance with a resolution of the Board of Directors, the directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 7 present fairly the trust's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the trustees' 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.



Director



Director

Dated 16 October 2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION**

ABN 62 340 058 963

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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 basis of preparation described in Note 1 to the financial report, which form part of the financial statements, are appropriate to meet the needs of the members.

The director's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of a 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.

Auditors' 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and to plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 of the financial statements 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 evaluation the overall presentation of the financial report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NEW ENGLAND REGIONAL ART MUSEUM FOUNDATION**

ABN 62 340 058 963

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

Independence

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

Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting requirements of the members and Trustee. As a result, the financial report may not be suitable for any other purpose.

Crowe Horwath Central North



Logan Meehan
Registered Company Auditor (ASIC RAN 397211)
90 Rusden Street
Armidale NSW 2350

Dated: 17 October 2013