

New England Regional Art Museum Limited

ABN: 47 131 297 731

Financial Statements

For the Year Ended 30 June 2011

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For the Year Ended 30 June 2011

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For the Year Ended 30 June 2011

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, Emeritus Curator, 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*
Mark Smith, B Fin. Admin. & Dip Ag Econ (UNE) FCA, FTIA, MAICD, JP – *Treasurer*
Herman Beyersdorf, BA (Hons) PhD (UNE) (to 29 November 2010)
Bill Dangar
June Dangar (to 29 November 2010)
Antony Deakin, OAM, B. Arch. FRAIA (from 29 November 2010)
Murray Guest, BA (Syd) Dip Ed Syd M Comm (UNSW)
Brigitte Leece, M. Art Admin. B.Art Theory (UNSW) (from 29 November 2010)
Peter Lloyd BA (UNE) AREI, JP, Graduate- Australian Defence Force- Officer Training Unit (from 29 November 2010)
Angus Nivison, Dip Ed. Dip Art (National School of Art, Sydney) (to 18 May 2011)
Gwenda Shannon, OAM (to 29 November 2010)

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)– *Museum Director*
Christine Durham, B.A. (Charles Sturt), G Dip Mus Studies (Deakin) Dip.Visual Arts (New England Institute TAFE) – *Operations Manager/Education Officer*
Philippa Charley-Briggs, B.A./Dip.Ed. (UNE), G.Dip.Mus.Studies (Hons) (Syd), Cert.Drawing & Printmaking (East Sydney Tech) *Curator*
Benjamin Thorn, B.A. (Hons) Dip Ed PhD (Syd) – *Museum Officer (Museum of Printing)*
Jonathon Larsen, Dip.Vis.Com. (QCA) – *Projects Officer*
Alice Forrest, Bachelor of Design Studies, (University of Queensland) – *Shop Manager*

Contractors: Hayley Clark: Financial book-keeper
Hayley Ward: Marketing and Promotion

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Chair's Report

I am pleased to present NERAM Limited's Annual Report for 2010/2011. Again, 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.

Looking back over the year 2010/2011 has been a positive year in which attendances grew by another 13%, with 31,474 visitors to the Museum, 9,310 attending programs and 724 people visiting the Museum of Printing. Openings were particularly well attended and the exhibitions and programs at the Museum continued to be very well received. Highlights of the exhibition program and public programs are included throughout the Annual Report. A major event for the year was the launch of the Online Education Resource, "Art Alive", a three year project supported by Newcastle Permanent Charitable Trust.

The Board continued to create and update policies for the Museum, adding policies relating to Marketing and the appointment of Patrons and updating the Collections Management Policy. The Board also approved a comprehensive Disaster Management Plan.

A new Corporate Sponsorship Package was completed and used successfully by the Fundraising Committee to attract new sponsors to NERAM.

As part of its ongoing attention to legal requirements, the Board was successful in achieving Deductible Gift Recipient status for the Hinton Trust, and also lodged a Variation to the Deed for the NERAM Foundation, that ensures that the capital held in the Foundation cannot be used without a 75% majority vote from the membership of NERAM Limited.

The growing cost of electricity, (from \$42,000 in 2008/2009 to \$73,000 in 2010/2011), the relatively poor insulation of the building and the age of much of the air conditioning system in the building are issues of major concern to the Board. During the year a major submission was written and submitted to Regional Development Australia in an attempt to secure funding to upgrade systems and improve the environmental effectiveness of NERAM. Unfortunately the submission was not successful in the first round of funding. A further submission will be made in 2011/2012.

With the substantial increase in electricity and other costs, NERAM's budget for the year was tight, but the year finished with a small surplus. The staff has been assiduous in seeking grants to assist with funding, the shop has traded well, the NERAM Foundation was able to contribute a small amount, and the Friends of NERAM have generously contributed to some of the exhibition expenses.

The staff at NERAM has had a very active and productive year, with the substantial increases in attendance at the Museum outlined above 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. 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 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 2010/2011 there were 81 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 approximately \$70,000. NERAM could not function without this support, and I thank the volunteers most sincerely.

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The Packsaddle team held their very successful annual fundraising exhibition in October 2010 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 particular supporting two major exhibitions – *Max Dupain: On Assignment* and *Gruner: Light and Landscape*. I sincerely thank Lynne Walker, President in 2010/2011 for her commitment and great support and I thank the Friends' committees too, for their generosity and ongoing enthusiasm for NERAM.

At our Annual General Meeting on 29 November 2010 we held our first election of Directors, with half the Board standing down as prescribed by our Constitution. Bill Dangar and Andrew Murray were returned for another term. I offer my thanks and gratitude to June Dangar, Gwenda Shannon and Herman Beyersdorf who did not return to the Board and welcome new Directors Brigette Leece, Tony Deakin and Peter Lloyd. In June 2011 Angus Nivison resigned from the Board in order to travel overseas and the Board resolved to appoint Ross Laurie to the casual vacancy.

At the Annual General Meeting on 23 November 2011, Directors completing their term, but eligible for re-election if they choose, will be, Chris Serow, Murray Guest, Mark Smith, Ross Laurie and myself.

To all of the Directors, past and present, I offer my sincere gratitude and thanks. I appreciate your efforts, both singly and in the teams of the committees in which you participate.. At this point I believe that we have brought NERAM to a new level of stability and look forward to seeing this great cultural institution thrive and prosper.

Meg Larkin
Chair

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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 visitors' 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.

COMMITTEES

The Board continued to operate 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: Mark Smith
- Fundraising and Sponsorship – Chair: Bill Dangar
- Art Management Committee – Chair: Angus Nivison
- NERAM Foundation Advisory Committee – Chair: Andrew Murray
- Hinton Trust Advisory Committee – Chair: Angus Nivison
- Coventry Trust Advisory Committee – Chair: Angus Nivison
- 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 2010/2011 year NERAM Limited had 224 registered members.

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HINTON TRUST – DONATED GIFT RECIPIENT STATUS

Application was made to the Australian Taxation Office on behalf of the Hinton Trust for Donated Gift Recipient (DGR) status in order to obtain tax deductibility for donations to the Hinton Trust. The application was approved by the Australian Taxation Office in November 2010 and backdated to April 2010.

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

CHANDLER COVENTRY TRUST

There was no activity in relation to the Coventry Trust during the year.

The audited Financial Statements for the Chandler Coventry Trust are included in the Annual Financial Statements.

NERAM FOUNDATION

The NERAM Foundation, under the guidance of the NERAM Foundation Advisory Committee and the Board continued to raise and invest funds for the future development and support of NERAM. The Foundation has responded to ongoing requests by donors for surety that donations would be preserved and not be spent by NERAM. The Board has amended the NERAM Foundation Trust Deed to specifically state that:

"The capital held in the Trust fund may only be dispersed where an endorsement is made by resolution of not less than a 75% majority vote from the full membership of the Trustee at a general meeting of its members."

The current guideline provide that 75% of investment income may be given back to NERAM in support of its operating activities and that 25% of income is reinvested to support the ongoing growth of the fund.

The Foundation Advisory Committee has invested the funds in Australian Equities and Interest Bearing Accounts according to the guidelines. Equity investments have been timed quite well in a period of turbulent markets and this will become more apparent as markets recover over time.

The annual Fundraising Dinner hosted by the Foundation Advisory Committee, usually held in June, was held on 11 July 2011 to accommodate the availability of Guest Speaker, Ron Radford AM. A report on the dinner will be included in 2011-2012 Annual Report.

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

A number of people made individual donations to the Foundation. NERAM acknowledges the following donors to the NERAM Foundation in 2010/2011:

Mary Barber
John Benyon
Bergen Grazing Co
Phillip Bookallil

Egon Investments
Helen & Bill Dangar
Ian & Anthea Duncan
Susan Dunn
Peter & Pat Elkin

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Barbara Giblin
Murray Guest
R.K. Harrigan
Pam Koebel
John & Ann Maurer
P.B. Morse

Andrew and Alex Murray
Brian & Jeanne Seppelt
Mr. W. Todd
Robertson Grazing
Lynne Walker & Richard Bird

REGISTERED OFFICE

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

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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 \$281,406.15. 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 was the launch of the Art Alive Online Education Resource on October 2010
- **Incoming Touring Exhibition Grant (ITEG)** Program from Museums of Galleries NSW. This grant funded public programs including art classes to coincide with the Almanac exhibition from the Museum of Contemporary Art to be held in the next financial year
- **Regional Arts NSW (CASP)** for a youth mural project - Art from the Ground Up with artist Tom Civil.

Sponsorship and Donations - Organisations

- **The Friends of NERAM (FON)** were particularly supportive of the Art Museum during the year. The Friends sponsored a travelling exhibition from the National Archives, *Max Dupain On Assignment*. FON also sponsored the highly successful inhouse curated exhibition *Gruner: Light and Landscape* which borrowed a number of significant works by Gruner from the Art Gallery of NSW, including the iconic painting, Spring Frost.
- **The Packsaddle Fundraisers** held their annual selling exhibition in October 2010. 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 a further \$726 to the Museum for the purpose of professionally photographing and digitising images of works in the Howard Hinton Collection.

Corporate Sponsors

A corporate sponsorship package was developed in 2010/11. NERAM was grateful to receive donations from a number of companies to support the operations of the Museum. These included :

Agricultural Business	City Centre Motor Inn	Liston & Clifton
Research Institute	Club Motel	Moin & Associates
Armidale First National Real Estate	Club Motel	Moore Park Apartments
Armidale Framing & Art Supplies - Gallery 126	Dental Minto	New England Building
Armidale Outdoors	Ducats	Recyclers
Armidale Regency Motel	Dymocks Armidale	New England Travel
Armidale Retravision	Edwards Coaches	Penny Waters - PWA Legal
Austbrokers NTIB	Elite Motor Inn	Peter Cameron Insurance
Barnier's Office Furniture	Filling Groovy	Broker
Bob Greenes Auto Repairs	Hannon's Mount View	Piddington's
Burtens Saddlery	Pharmacy	Roberts & Morrow
Carr's Newspress	Harrisons of Armidale	Silcar Communications
Cedar Lodge Motel	James & Belinda Hook	Tony Hoskin Plumbing
	Killen's Smash Repairs	WHK
	Knight's Store	

- **QantasLink** provided 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.

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- **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.
- **Legal Minds** generously provided the Museum with pro-bono legal services during the year
- **June's Gems & Jewellery** provided a substantial donation of jewellery in the form of a sapphire pendant with gold chain for a raffle which is continuing into 2011-2012.
- **New England Northwest BEC Business Enterprise Centre** and **Armidale Retravisio** both donated televisions for use in exhibition displays.

Museum Shop

The Museum Shop continued to show improvement in sales as well as an increase in variety of stock – quality art and craft, books, kids, jewellery, stationery and cards

The Café

The Café at NERAM is operated under a separate lease with Armidale Dumaresq Council, as Armidale Community Cultural Reserve Trust Managers. Neramharvest, under chef proprietor Rowan Tihema opened in January 2011 and has proved to be a popular location for locals and visitors.

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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 were no substantial changes to staffing in 2010/11 other than the appointment of a part-time Shop manager.

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
Patsy Asch
Pamela Barber
Jeff Bates
Bob Baxter
Jennifer Berry
Pamie Brazier-Hollins
Tom Brazier-Hollins
Jennifer Butler
Sally Cater
Peter Champion
Rosalind Clark
Keith Clarke
Lesley Coffey
Barbie Connah
Bill Crocker
Lenore Crocker
Richard Curtis
Rose Cutts
Bill Dangar
Helen Dangar
Susan Donegan
Anthea Duncan
Gillian Dunlop
Pat Elkin
Annemieke English
Ingrid Evans
Liz Fulloon
Cheryl Garson
Barbara Giblin

Jean Gossip
Diana Gray
Javier Guance
Kerry Gulliver
Rosalie Hall
Kathleen Hannan
Julia Hardman
Alison Hoddinott
Kris Jackson
Louise Jesser
Trish Johnstone
Dacre King
Pam Koebel
Ann Lemcke
Robert Lemcke
Graham MacKay
Tony Marjoram
Barry McCann
Rose McCarthy
Lorenne Michel
Marilyn Miller
Suzanne Morrison
Frany Morse
Sally Munro
Diana Pape
Bev Passey
Richard Passey
Tom Penrose
Diana Perry
Carmen Ponsaing

Robyn Power
Rosemary Randall
Sylvia Ransom
Julia Rose
Lynette Ryan
Eileen Sanders
Joe Sartori
Michelle Schouten
Maryanne Scott
Kellie Simpson
Melanie Smith
Roselli Stanley
Alex Taylor
Ermias Teweldemedhin
Helen Thomas
Anna Walkden-Brown
Lynne Walker
Judith Ward
Hayley Ward
Brenda Wilson
Anna Wilson
Kate Woodland-Smith

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Policies

The following policies were ratified by the Board in 2010/2011: These policies may be viewed on the NERAM Website www.neram.com.au

- Marketing Policy
- Patrons Policy
- Disaster Management Plan

The Collections Policy was also reviewed and updated.

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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

Digitisation

515 works from The Howard Hinton Collection were professionally photographed in an ongoing digitisation project, with funds from the Friends of the Old Teachers College

Acquisitions:

The New England Regional Art Museum acquired 269 works of art in the year through the Australian Government's Cultural Gifts Program and individual donors. All met the requirements of the Art Museum's Collections Policy.

- A large donation of sketch books, drawings, watercolours and oils by Margaret Coen, donated by her daughter, Meg Stewart through the Cultural Gifts Program
- George Gittoes, *Our House*, oil on canvas, donated by Gary Gittoes through the Cultural Gifts Program 3 works by Judy Cassab – *Approaching the Cave*, *Portrait of Chandler Coventry* and *Sketch of Chandler Coventry* donated by the artist Cultural Gifts Program

Deaccessioning:

In 2010/11 9 works were sold from the NERAM collection.

- Robert Johnson, *Early Morn, Nundle NW*
- John Hoyland, *The Brilliant Moon Shines*
- Dale Frank, *Painting 1988*
- Robert Barnes, *Strelitzias*
- Robert Barnes, *Studio Model*
- Dusan Marek, *Untitled (Umbrella)*
- Jeffrey Smart, *The Argument*
- Rick Amor, *The Bridge*
- Vida Lahey, *Still Life with Fruit*

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Loans: The following works were loaned to other institutions in 2010/11

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>
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>
Hawkesbury Regional Art Gallery	Ernest Buckmaster, <i>Rhododendrons</i> Ernest Buckmaster, <i>Still life</i> Adrian Feint, <i>Formal flowerpiece</i> Adrian Feint, <i>Hibiscus</i> Elioth Gruner, <i>Violets</i> Harold Huntley, <i>Japonica</i> Marjorie McChesney, <i>Oriente</i> Max Meldrum, <i>Carnations</i> Arthur Murch, <i>Still Life</i> Richard W Phillips, <i>Guinea gold</i> Margaret Preston, <i>Australian Flowers</i> Margaret Preston, <i>A Darwin bunch</i> Margaret Preston, <i>Christmas bush</i>
Museum of Sydney	JJ Hilder, <i>Boatsheds, Berowra</i>
Hawkesbury Regional Art Gallery	Sydney Ure Smith, <i>Windsor</i>
Campbelltown Arts Centre	David Fairbairn, <i>Portrait of Victoria Hahn</i>
Tamworth Regional Gallery	Tom Moore, <i>The Armidale Tapestry</i>
Queensland Art Gallery	E. Phillips Fox, <i>A market in the desert</i> E. Phillips Fox, <i>St Mark's Venice</i>
The Glasshouse, Port Macquarie	Lawson Balfour, <i>The Blue Lagoon</i> Fred Leist, <i>Summer Moon</i> Sydney Long, <i>Summer Pastoral</i> GK Townshend, <i>Sun and Shadows</i> Walter Withers, <i>On the Beach</i>
Coffs Harbour Regional Gallery	Victor BONATO, <i>Untitled</i> Nancy BORLASE, <i>Girl</i> Gene DAVIS, <i>Devil's door knob</i> Elaine HAXTON, <i>Bell collars</i> Geoff LA GERCHE, <i>Bomber</i> Fred LEIST, <i>Mrs Huff Johnston</i> Fred LEIST, <i>Silver and blue</i> Nigel THOMSON, <i>Portrait of Chandler Coventry, AM</i> Jan VAN BEERS, <i>Sister Rigoletta</i> Eric WILSON, <i>Lupins and Snapdragons</i> David WADELTON, <i>Do not spit</i> Euan MACLEOD, <i>Joe</i> Geoff LA GERCHE, <i>Portrait of Dianne Arbus</i>
Goulburn Regional Art Gallery	Ben Quilty, <i>Budgie after Budgie after Streeton</i>

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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 2010-2011. 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. MoP continues to be open on Thursdays and Fridays from 10:30am to 3:30pm or by appointment.

- *Oral History Project*

MoP received another \$500 grant from the Royal Australian Historical Society. About twenty interviews were conducted and transcribed including: Bill Linton, Bob Snedden, Bob Wittrian, Brian Waghorn, Margaret Cooke and Margaret Perrin, Denis Rolls, Graham Paxton, Harry Wallace, Ian Montgomery, John Moore, Kate Wimble, Paul McMahon and Terry Jenner, Stattley Ward, Keith Goode and Terry Mitchell.

- *Temporary Exhibitions*

The Cabinet of Typographic Monstrosities and a display on typesetting and photography for lithography were installed in July.

- *Other Exhibitions*

A small display "Reign in the Rain" consisting of a small lever press and printing blocks featuring raincoat ads continued in the foyer of the Armidale Express. A small display of printing blocks "Bath Time" was installed in the Armidale Folk Museum. These were subsequently replaced with "On the Radio" and "The Health Risks of a Cinderella" which were curated by Pauline Hams, an intern from UNE.

A display of a ten colour hand lithograph set of progressive proofs and the lithographic stone was installed in NERAM in conjunction with the Print Circle Exhibition from July to September.

Alarming Bras, which included newspapers borrowed from the University of New England and Regional Archives and various items borrowed from the Powerhouse Museum was installed in NERAM from October to January.

- *New acquisitions*

MOP acquired several small items including books from Bill Thorn and Kate Wimble and training videos and other materials from Bob Snedden and Keith Goode.

- *Visitors*

There were over 724 visitors in the year, including groups from Sandon Primary School, the MET School, Glen Innes TAFE, St Mary's Primary School (x2), Australian Christian College, Armidale High School., Bundarra Central School, Kelly's Plains Primary, Language Training, Armidale TAFE Centre

- *Events and Public Programs*

MoP celebrated its 10th birthday with an open day on Saturday 23 April which included printing demonstrations and two birthday cakes shaped like typewriters. 45 people visited the museum on the day. A typographic art workshop was held on Sunday 20 March.

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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:

- *Raindrops on Roses: Works from the Permanent Collections*, selected by the New England community and curated by Philippa Charley-Briggs, curator
- *My Kind of Chocolate*, curated by Leigh Summers
- *Parallel Connections in the Hinton, Coventry and NERAM Collections*, curated by Caroline Downer, Director NERAM
- *The Figure in the Landscape: From the Hinton, Coventry and NERAM Collections*, curated by Philippa Charley-Briggs, curator
- *Hinton and the Sea*, curated by Caroline Downer, Director NERAM
- *Menagerie*, curated by Caroline Downer, Director NERAM

The major highlight of 2010/11 was *Collections Celebration* where the entire Museum was devoted to a number of professionally curated exhibitions from the NERAM permanent collections.

- The principal exhibition was *Gruner: Light and Landscape*, curated by Caroline Downer which focused on the lyrical paintings of Elioth Gruner and was enhanced by loans from the Art Gallery of NSW and in particular, Gruner's iconic work, *Spring Frost* of 1919.

Guest Exhibitions

The following major touring exhibitions were hosted by NERAM in 2010/2011.

- *Print Circle: Room with a View*
- *Operation Art*
- *Max Dupain on Assignment* – National Archives (Opened by Tony Windsor, MP)
- *Eutick Memorial Still Life* – Coffs Harbour Regional Gallery
- *ARTexpress*

Community Exhibitions

- Packsaddle held its annual fundraising exhibition in October 2010

New England Regional Art Museum Limited

ABN: 47 131 297 731

Directors' Report

30 June 2011

- **University of New England** A partnership with UNE, resulted in a major exhibition project.
 - *Through the Collector's Lens: Dissecting Booloominbah* - The University of New England's museums and collections constitute one of the most diverse and significant holdings of scientific and cultural material in Australia. This exhibition uses the iconography and history of John Horbury Hunt's famous Arts and Crafts masterpiece, Booloominbah, as a springboard with which to celebrate and explore the University's aggregated collections. Curated by Ian Stephenson and Michelle Arens, the University of New England.

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:

- *Chris Cooper: Photo Synthesis*
- *Sevil and Sons: Looking Forward, Looking Back*
- *Di Smith: Flowing*
- *Rosalie Rigby: Surface and Substance*
- *Stuart Boggs: To Cut Away the Surface*
- *Julia Hardman and Robyn Jackson: Mixed Mediums*
- *Lucy and Barry McCann: Something Old Something New*
- *Naomi Ullman: Dreams are made of this*
- *Anna Henderson: Still*

Public Programs/Education

2010/11 saw over 9310 visitors to NERAM's educational and public programs. 26 different schools (a 50% increase from last year) from around the region attended educational tours as well as students from TAFE New England and the University of New England (from early childhood, theatre, and education disciplines). An educational newsletter, ImpART was distributed to all schools in the region. NERAM established its internship program, with 2 students from UNE completing work units at the Museum of Printing and at NERAM.

- NERAM's Art Alive online education resource was launched in October 2010 by Peter Pickett, School Education Director at a special showcase and demonstration for teachers in the region. A DVD was produced showing how the resource can be used on SmartBoards in the Classroom. A Year 5 class and their teacher Naomi Northey from Armidale City Public School demonstrated its use, and this DVD was sent to all schools in the region. The School of Education at the University of New England now use ART ALIVE in training their student teachers.
- Public Programs included concerts and operas, exhibition openings, launches, ARTnexus (local artist networking event), artist and curator talks, conservation workshop through National Archives, mural workshop and school holiday workshops. A new initiative "pARTicipate" was held in the Dulce Lindsay Gallery with a variety of hands-on and interactive activities.
- 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 2011

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 31, 474 in this financial year, a 13% increase since last year.

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. Various articles appeared in Sun Herald, Sydney Morning Herald and Open Road NRMA focussing on NERAM as a tourist destination.

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 was updated weekly. One of the major projects was the launch of Art Alive in October 2010 – 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.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Directors' Report

30 June 2011

Meetings of directors continued

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	
	Number eligible to attend	Number attended
Meg Larkin	12	11
Andrew Murray	12	11
Christopher Serow	12	9
Murray Guest	12	6
Angus Nivison	12	9
Bill Dangar	12	11
Mark Smith	12	11
Brigette Uren-Leece	7	6
Peter Loyd	7	4
Tony Deakin	7	5
June Dangar	5	5
Gwenda Shannon OAM	5	4
Herman Beyersdorf	5	5

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 4.

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 2011 the number of members was 224 (2010: 170).

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

Director: 

Director: 

Dated 19 October 2011

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

**New England Regional Art Museum
Limited**

ABN: 47 131 297 731

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f +61 2 6772 9957

e armidale@forsyths.com.au

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 2011 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

19th October 2011

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 2011

		Consolidated		Parent	
	Note	2011	2010	2011	2010
		\$	\$	\$	\$
Revenue	2	333,179	253,324	299,110	211,125
Other income	2	445,786	597,181	329,338	478,565
Raw materials and consumables used		(23,418)	(24,069)	(23,418)	(24,069)
Employee benefits expense		(251,687)	(218,727)	(251,687)	(218,727)
Depreciation, amortisation and impairments		(25,904)	(27,642)	(25,904)	(27,642)
Borrowing costs		(15,443)	(58,431)	(15,443)	(58,431)
Electricity expense		(73,188)	(56,602)	(73,188)	(56,602)
Consignment Commission		(13,697)	(30,977)	(13,697)	(30,977)
Exhibition Costs		(33,279)	(34,137)	(33,279)	(34,137)
Insurance Expense		(51,352)	(49,668)	(21,265)	(21,723)
Fundraising expenses		(1,000)	(5,625)	-	-
Other operating expenses		(150,768)	(137,459)	(148,144)	(126,414)
Gain on disposal of assets		304	(727)	304	(727)
Profit for the year		139,533	206,441	22,727	90,241
Other comprehensive income:					
Net gain on revaluation of Art Collections		512,052	-	512,052	-
Unrealised gain/(loss) on available for sale financial assets		(2,431)	(2,236)	-	-
Other comprehensive income for the year		509,621	(2,236)	512,052	-
Total comprehensive income for the year		649,154	204,205	534,779	90,241

The accompanying notes form part of these financial statements.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Statement of Financial Position

30 June 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	5	344,718	203,686	98,471	148,628
Trade and other receivables	6	15,651	116,502	6,945	122,127
Inventories	7	27,572	67,995	27,572	67,995
Other assets	9	23,964	18,982	6,859	3,258
Total current assets		411,905	407,165	139,847	342,008
Non-current assets					
Financial assets	8	110,963	77,618	-	-
Property, plant and equipment	10	41,476,475	40,940,597	3,137,905	2,602,027
Total non-current assets		41,587,438	41,018,215	3,137,905	2,602,027
TOTAL ASSETS		41,999,343	41,425,380	3,277,752	2,944,035
LIABILITIES					
Current liabilities					
Trade and other payables	11	67,347	118,688	67,428	244,640
Borrowings	5	-	396	-	396
Short-term provisions	12	16,974	1,500	16,974	1,500
Other Liabilities	13	42,000	53,561	42,000	53,561
Total current liabilities		126,321	174,145	126,402	300,097
Non-current liabilities					
Other Liabilities	13	238,684	266,051	238,684	266,051
Total non-current liabilities		238,684	266,051	238,684	266,051
TOTAL LIABILITIES		365,005	440,196	365,086	566,148
NET ASSETS		41,634,338	40,985,184	2,912,666	2,377,887
FUNDS					
Reserves	14	512,052	-	512,052	-
General Funds		41,122,286	40,985,184	2,400,614	2,377,887
TOTAL FUNDS		41,634,338	40,985,184	2,912,666	2,377,887

The accompanying notes form part of these financial statements.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	General Funds	Parent Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2010	2,377,887	-	2,377,887
Profit for the year	22,727	-	22,727
Net gain on revaluation of Art Collection	-	512,052	512,052
Sub-total	22,726	512,052	534,779
Balance at 30 June 2011	2,400,614	512,052	2,912,666

2010

	General Funds	Parent Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2009	2,287,646	-	2,287,646
Profit for the year	90,241	-	90,241
Sub-total	90,241	-	90,241
Balance at 30 June 2010	2,377,887	-	2,377,887

2011

	General Funds	Consolidated Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2010	40,985,184	-	40,985,184
Profit for the year	139,533	-	139,533
Net gain on revaluation of Art Collections	-	512,052	512,052
Unrealised gain/(loss) on available for sale financial assets	(2,431)	-	(2,431)
Balance at 30 June 2011	41,122,286	512,052	41,634,338

2010

		General Funds	Consolidated Asset Revaluation Surplus	Total
	Note	\$	\$	\$
Balance at 1 July 2009		41,798,529	-	41,798,529
Retrospective adjustment upon change in accounting policy	1, (n)	(1,017,550)	-	(1,017,550)
Profit for the year		206,441	-	206,441
Unrealised gain/(loss) on available for sale financial assets		(2,236)	-	(2,236)
Balance at 30 June 2010		40,985,184	-	40,985,184

The accompanying notes form part of these financial statements.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Statement of Cash Flows

For the Year Ended 30 June 2011

		Consolidated		Parent	
	Note	2011	2010	2011	2010
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		758,847	639,844	673,072	541,841
Payments to suppliers and employees		(591,241)	(576,194)	(698,365)	(475,442)
Donations and Fundraising		132,827	-	106,192	-
Interest received		11,011	3,783	3,577	1,238
Net cash provided by (used in) operating activities	16	311,444	67,433	84,476	67,637
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of artwork		30,204	37,273	30,204	37,273
Purchase of property, plant and equipment		(79,631)	(6,012)	(79,631)	(6,012)
Purchase of investments		(35,776)	(79,854)	-	-
Net cash provided by (used in) investing activities		(85,203)	(48,593)	(49,427)	31,261
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(84,814)	-	(84,810)	-
Net cash provided by (used in) financing activities		(84,814)	-	(84,810)	-
Net increase (decrease) in cash and cash equivalents held		141,428	18,840	(49,761)	98,898
Cash and cash equivalents at beginning of financial year		203,290	184,450	148,232	49,334
Cash and cash equivalents at end of financial year	5	344,718	203,290	98,471	148,232

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 2011

1 Summary of Significant Accounting Policies

(a) General information

The financial statements include 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 statements are general purpose statements that have 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 financial statements 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 these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have 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 statement of comprehensive income 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

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Revenue continued

government and other parties for no or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income in the statement of comprehensive income.

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.

Collection Assets (Hinton, Coventry and Printing)

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

New England Regional Art Museum Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment continued

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.

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 statement of comprehensive income.

(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.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(k) Goods and Services Tax (GST) continued

Cash flows are presented in the statement of cash flows 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.

(m) 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.

(n) Armidale Teachers College Collection

The Group changed its accounting policy relating to the Armidale Teacher College Art Collection. In prior years the Armidale Teachers College Art Collection has been included in the Hinton Collection within the Howard Hinton Trust. During the year it was decided to remove the Armidale Teachers College Art Collection valued at \$1,017,550 as the ownership of the collection more correctly vests with the University of New England. As a result the Armidale Teachers College Art Collection has been retrospectively removed from these financial statements and the comparative figures restated.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2011 is a decrease in the Hinton Collection of \$1,017,550 and a decrease in the general funds within the Howard Hinton Trust of \$1,017,550.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Revenue

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Sales revenue				
- Sale of goods	104,545	87,560	104,545	87,560
- services revenue	84,796	67,900	84,796	67,900
- interest received	11,011	3,783	3,577	1,238
- donations	132,827	94,082	106,192	54,427
Total Revenue	333,179	253,325	299,110	211,125
	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Other Income				
- Museums and Galleries NSW grant	4,584	3,000	4,584	3,000
- Newcastle Permanent Funding	4,545	4,545	4,545	4,545
- Armidale Dumaresq Council funding	381,406	374,275	281,406	274,275
- Royal Historical Society	-	500	-	500
- Pack Saddle	-	1,602	-	1,602
- Fundraising	3,777	50,577	3,777	31,962
- Box Gallery	7,725	9,281	7,725	9,281
- Travelling Exhibitions	500	3,000	500	3,000
- Gain on Transfer of Assets	-	118,200	-	118,200
- Dividend income	16,448	-	-	-
- UNESAP	5,000	-	5,000	-
- Arts NSW	21,800	32,200	21,800	32,200
Other Income	445,785	597,180	329,337	478,565

3 Auditors' Remuneration

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	5,280	5,280	5,280	5,280
- Other services	5,028	-	5,028	-
	10,308	5,280	10,308	5,280

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

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
Murray Guest	Director
Angus Nivison	Director
Bill Dangar	Director
Mark Smith	Director
Brigette Uren-Leece	Director
Peter Loyd	Director
Tony Deakin	Director
June Dangar	Director
Gwenda Shannon OAM	Director
Herman Beyersdorf	Director

Other Key Management Personnel

Caroline Downer	Art Museum Director
-----------------	---------------------

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

(b) Key Management Compensation

	Short-term benefits \$	Post employment benefit \$	Total \$
2011 Total compensation	64,714	5,802	70,516
2010 Total compensation	64,741	5,802	70,543

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

5 Cash and cash equivalents

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Cash on hand	250	250	250	250
Cash at bank	344,458	203,426	98,221	148,378
Other cash and cash equivalents	10	10	-	-
	344,718	203,686	98,471	148,628

Reconciliation of cash

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
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	344,718	203,686	98,471	148,628
Bank overdraft	-	(396)	-	(396)
	344,718	203,290	98,471	148,232

6 Trade and other receivables

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Trade receivables	7,445	117,073	7,445	122,698
Provision for impairment of receivables	(500)	(571)	(500)	(571)
	6,945	116,502	6,945	122,127
Other receivables	8,706	-	-	-
	15,651	116,502	6,945	122,127

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

7 Inventories

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
At Cost				
NERAM Shop Inventory	19,120	19,120	19,120	19,120
Art Supplies	8,452	48,875	8,452	48,875
	<u>27,572</u>	<u>67,995</u>	<u>27,572</u>	<u>67,995</u>

8 Other Financial Assets

Available-for-sale financial assets comprise:

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Listed investments, at fair value shares in listed corporations	110,963	77,618	-	-
Total available-for-sale financial assets	<u>110,963</u>	<u>77,618</u>	<u>-</u>	<u>-</u>

9 Other Assets

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Prepayments	23,964	18,982	6,859	3,258
	<u>23,964</u>	<u>18,982</u>	<u>6,859</u>	<u>3,258</u>

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Property, plant and equipment

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Plant and equipment at fair value	188,918	181,691	188,918	181,691
Accumulated depreciation	(45,305)	(22,642)	(45,305)	(22,642)
Total plant and equipment	143,613	159,049	143,613	159,049
Motor vehicles at fair value	17,500	17,500	17,500	17,500
Accumulated depreciation	(10,000)	(7,500)	(10,000)	(7,500)
Total motor vehicles	7,500	10,000	7,500	10,000
NERAM Collection at fair value	2,763,085	2,149,285	2,763,085	2,149,285
Total NERAM Collection	2,763,085	2,149,285	2,763,085	2,149,285
Museum of Printing Collection at fair value	223,707	283,693	223,707	283,693
Total Museum of Printing Collection	223,707	283,693	223,707	283,693
Hinton Collection at fair value	35,449,770	35,449,770	-	-
Total Hinton Collection	35,449,770	35,449,770	-	-
Coventry Collection at fair value	2,888,800	2,888,800	-	-
Total Coventry Collection	2,888,800	2,888,800	-	-
		40,940,597		2,602,027
Total property, plant and equipment	41,476,475	40,940,597	3,137,905	2,602,027

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.

During the 2011 year the directors revalued the NERAM and Museum of Printing collections. Directors based their revaluation on their existing knowledge and experience.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Property, plant and equipment continued

(a) 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
Parent

	Plant and Equipment	Motor Vehicles	NERAM Collection	Hinton Collection	Coventry Collection	Museum of Printing Collection	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	159,049	10,000	2,149,285	-	-	283,693	2,602,027
Additions	7,968	-	71,663	-	-	-	79,631
Disposals	-	-	(29,900)	-	-	-	(29,900)
Depreciation expense	(23,404)	(2,500)	-	-	-	-	(25,904)
Revaluation increase recognised in equity	-	-	572,037	-	-	(59,986)	512,051
Carrying amount at the end of year	143,613	7,500	2,763,085	-	-	223,707	3,137,905

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Property, plant and equipment continued

(a) Movements in Carrying Amounts continued

Consolidated

	Plant and Equipment	Motor Vehicles	NERAM Collection	Hinton Collection	Coventry Collection	Museum of Printing Collection	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	159,049	10,000	2,149,285	36,467,320	2,888,800	283,693	41,958,147
Additions	7,227	-	71,663	-	-	-	78,890
Correction of error, remove Teachers College Art Collection (Note 1)	-	-	-	(1,017,550)	-	-	(1,017,550)
Disposals	-	-	(29,900)	-	-	-	(29,900)
Depreciation expense	(22,663)	(2,500)	-	-	-	-	(25,163)
Revaluation increase recognised in equity	-	-	572,037	-	-	(59,986)	512,051
Carrying amount at the end of year	143,613	7,500	2,763,085	35,449,770	2,888,800	223,707	41,476,475

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

11 Trade and other payables

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	29,565	88,693	29,565	211,058
Amounts received in advance	18,682	-	18,682	-
Deposits	45	-	45	-
Accrued expense	14,163	20,094	14,163	20,094
GST Payable	4,892	9,900	4,973	13,488
	67,347	118,687	67,428	244,640

12 Provisions

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Employee benefits	16,974	1,500	16,974	1,500
	16,974	1,500	16,974	1,500

13 Other Liabilities

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Armidaile Dumaresq Council Debt	42,000	53,561	42,000	53,561
Total	42,000	53,561	42,000	53,561
	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
NON-CURRENT				
Armidaile Dumaresq Council Debt	238,684	266,051	238,684	266,051
Total	238,684	266,051	238,684	266,051

The interest free debt to Armidaile Dumaresq Council is recorded at net present value. The total amount owing at 30 June 2011 is \$336,002, including GST, and is repayable over the next 8 years in equal instalments. Armidaile 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 2011

14 Reserves

Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revaluation reserve				
Transfers in	512,052	-	512,052	-
Total reserves	512,052	-	512,052	-

15 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 statement of financial position and notes to the financial statements. There is no material credit risk from receivables at year end.

There are no material amounts of collateral held as security at 30 June 2010

(b) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flow, 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.

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

(e) Price Risk

The Group is not exposed to any material commodity price risk.

(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	
	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	4.50	2.00	344,458	203,426	260	260	344,718	203,686
Receivables	-	-	-	-	15,651	116,502	15,651	116,502
Investments	-	-	-	-	110,963	77,618	110,963	77,618
Total Financial Assets			344,458	203,426	126,874	194,380	471,332	397,806
Financial Liabilities:								
Armidale Dumaresq Council Debt	-	-	-	-	280,684	319,612	280,684	319,612
Trade and sundry payables	-	-	-	-	67,349	118,687	67,349	118,687
Total Financial Liabilities			-	-	348,033	438,299	348,033	438,299

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

16 Cash Flow Information

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

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Net income for the period	137,102	204,205	22,727	90,241
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit				
Depreciation	25,904	27,642	25,904	27,642
Net loss on disposal of artwork	(304)	727	(304)	727
Gain on transfer of assets	30,439	(118,200)	30,439	(118,200)
Armidale Council debt forgiveness	15,444	31,810	15,444	31,810
Unrealised gains/(losses) on investments	2,431	2,236	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	100,851	(121,786)	115,182	(117,247)
(Increase)/decrease in prepayments	(4,982)	72	(3,601)	(1,179)
(Increase)/decrease in inventories	40,423	(38,076)	40,423	(38,076)
Increase/(decrease) in trade payables and accruals	(51,338)	77,303	(177,210)	190,419
Increase/(decrease) in provisions	15,474	1,500	15,474	1,500
Cashflow from operations	<u>311,444</u>	<u>67,433</u>	<u>84,476</u>	<u>67,637</u>

17 Controlled Entities

The parent company acts as trustee for the following trusts:

Howard Hinton Trust

Chandler Coventry Trust

New England Regional Art Museum Foundation

18 Economic Dependency

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

New England Regional Art Museum Limited

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 30 June 2011

19 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 4 to 23, 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 2011 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 19 October 2011

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**

Report on the Financial Report

We have audited the accompanying financial statements of New England Regional Art Museum Limited, which comprises the statement of financial position as at 30 June 2011, the statement of 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 directors' declaration of the company and the consolidated entity.

Directors' Responsibility for the Financial Report

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

In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 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 statements.

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 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 given to the directors of New England Regional Art Museum Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial statements of New England Regional Art Museum Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Chartered Accountants



Geoffrey W Allen

92 Rusden Street, Armidale

19 October 2011



New England Regional Art Museum Foundation

ABN: 62 340 058 963

Financial Statements

For the Year Ended 30 June 2011

New England Regional Art Museum Foundation

ABN: 62 340 058 963

For the Year Ended 30 June 2011

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New England Regional Art Museum Foundation

ABN: 62 340 058 963

Trustee's Report

30 June 2011

Your directors present their report on the trust for the financial year ended 30 June 2011.

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 \$ 39,964(2010: \$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 19 October 2011

New England Regional Art Museum Foundation

ABN: 62 340 058 963

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	27,660	59,617
Other income		16,448	-
Fundraising Expenses		(1,000)	(5,625)
Other operating expenses		(713)	(2)
Profit for the year		42,395	53,990
Other comprehensive income:			
Unrealised gain/(loss) on available for sale financial assets		(2,431)	(2,236)
Total comprehensive income for the year		39,964	51,754

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	42,646	24,224
Trade and other receivables	4	4,997	22,425
Total current assets		<u>47,642</u>	<u>46,649</u>
Financial assets	5	110,963	77,618
Total non-current assets		<u>110,963</u>	<u>77,618</u>
TOTAL ASSETS		<u>158,606</u>	<u>124,267</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	-	5,625
Total current liabilities		<u>-</u>	<u>5,625</u>
TOTAL LIABILITIES		<u>-</u>	<u>5,625</u>
NET ASSETS		<u>158,606</u>	<u>118,642</u>
FUNDS			
General Funds		158,606	118,642
TOTAL FUNDS		<u>158,606</u>	<u>118,642</u>

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 2011

	2011	General Funds \$	Total \$
Balance at 1 July 2010		118,642	118,642
Loss for the year		39,964	39,964
Balance at 30 June 2011		158,606	158,606
	2010	General Funds \$	Total \$
Balance at 1 July 2010		66,888	66,888
Total comprehensive income for the year		51,754	51,754
Balance at 30 June 2010		118,642	118,642

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 2011

	Note	2011 \$	2010 \$
Cash from operating activities:			
Payments to suppliers		(7,339)	(6,579)
Dividends received		11,532	-
Interest received		1,025	1,346
Donations and Fundraising		48,980	44,997
Net cash provided by (used in) operating activities	8	<u>54,198</u>	<u>39,764</u>
 Purchase of investments		<u>(35,776)</u>	<u>(79,854)</u>
Net cash provided by (used in) investing activities		<u>(35,776)</u>	<u>(79,854)</u>
 Net increase (decreases) in cash held		18,422	(40,090)
Cash at beginning of financial year		<u>24,224</u>	<u>64,215</u>
Cash at end of financial year	3	<u><u>42,646</u></u>	<u><u>24,125</u></u>

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 2011

1 Summary of Significant Accounting Policies

(a) General information

The financial statements cover 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 statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Trust Deed.

The financial statements have 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: Statement of Cash Flows:

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 Statement of Comprehensive Income 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).

New England Regional Art Museum Foundation

ABN: 62 340 058 963

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(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.

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

2 Revenue

	2011 \$	2010 \$
Revenue		
- Interest received	1,025	1,346
- dividend received	16,448	-
- Donations	26,635	39,655
- Proceeds from Fundraising	-	18,615
Total Revenue	44,108	59,616

3 Cash and cash equivalents

	2011 \$	2010 \$
Cash at bank	42,636	24,214
Other cash and cash equivalents	10	10
	42,646	24,224

New England Regional Art Museum Foundation

ABN: 62 340 058 963

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Trade and other receivables

	2011 \$	2010 \$
Trade receivables	-	22,365
Tax payable	81	60
Other receivables	4,916	-
Total	4,997	22,425

5 Other Financial Assets

	Note	2011 \$	2010 \$
NON-CURRENT			
Available for sale financial assets	5(a)	110,963	77,618
Total Non Current Assets		110,963	77,618

(a) Available-for-sale financial assets comprise

	2011 \$	2010 \$
Listed investments, at fair value		
Shares in listed corporations	110,963	77,618
	110,963	77,618
Total available-for-sale financial assets	110,963	77,618

6 Trade and other payables

	2011 \$	2010 \$
CURRENT		
Unsecured liabilities		
Trade payables	-	5,625
	-	5,625

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.

New England Regional Art Museum Foundation

ABN: 62 340 058 963

Notes to the Financial Statements

For the Year Ended 30 June 2011

8 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Net income for the period	39,964	51,753
Cash flows excluded from profit attributable to operating activities		
Unrealised gains/(losses) on investments	2,431	2,236
(Increase)/decrease in trade and term receivables	17,428	(13,175)
Increase/(decrease) in trade payables and accruals	(5,625)	(951)
Cashflow from operations	<u>54,198</u>	<u>39,863</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 declare that the trust is not a reporting entity. The directors determined that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 2 to 9, present fairly the trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements ;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 19 October 2011

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

p +61 2 6773 8400
f +61 2 6772 9957
e armidale@forsyths.com.au

New England Regional Art Museum Foundation

ABN: 62 340 058 963

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

Report on the Financial Report

We have audited the accompanying financial statements, being special purpose financial statements, of New England Regional Art Museum Foundation, which comprises the statement of financial position as at 30 June 2011, and the income statement, 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 statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Trustees 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 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 evaluating the overall presentation of the financial statements.

The financial statements have 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 statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

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 Australian professional ethical pronouncements.

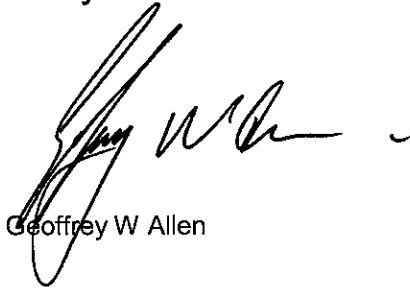
Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New England Regional Art Museum Foundation as of 30 June 2011 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.

Basis of Accounting

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

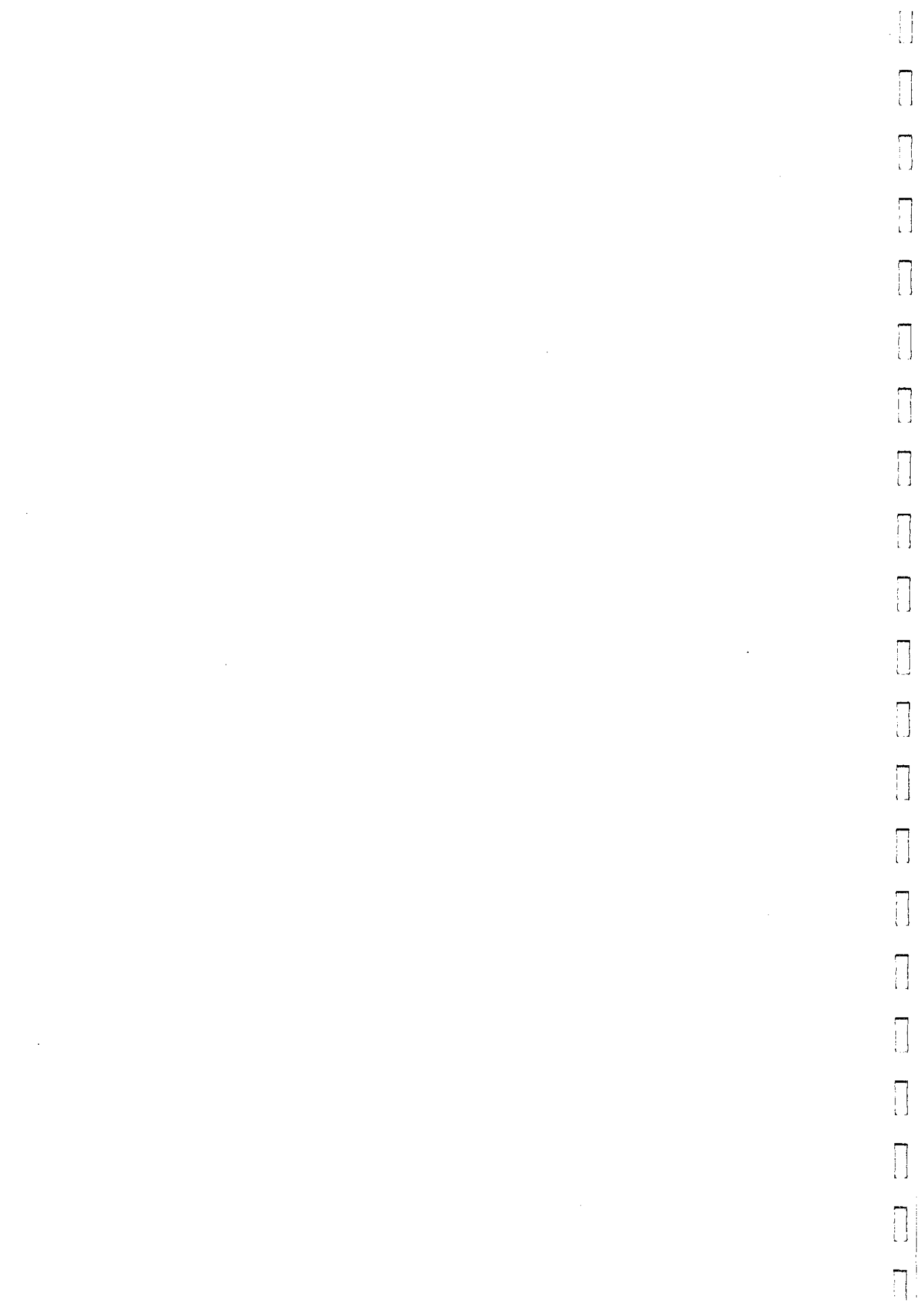
Forsyths



Geoffrey W Allen

92 Rusden Street, Armidale NSW

19 October 2011



Howard Hinton Trust

ABN: 23 559 426 439

Financial Statements

For the Year Ended 30 June 2011

Howard Hinton Trust

ABN: 23 559 426 439

For the Year Ended 30 June 2011

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Howard Hinton Trust

ABN: 23 559 426 439

Trustee's Report

30 June 2011

Your directors present their report on the trust for the financial year ended 30 June 2011.

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 \$ 74,412(2010: \$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 19 October 2011

Howard Hinton Trust

ABN: 23 559 426 439

Income Statement

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	106,409	101,198
Other expenses		<u>(31,998)</u>	<u>(38,988)</u>
Total net surplus/(deficit) from operations		<u>74,411</u>	<u>62,210</u>

The accompanying notes form part of these financial statements.

Howard Hinton Trust

ABN: 23 559 426 439

Statement of Financial Position

30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	203,601	30,833
Trade and other receivables	4	3,790	103,528
Prepayments		17,105	15,724
Total current assets		224,496	150,085
Non-current assets			
Plant and equipment	5	35,449,770	35,449,770
Total non-current assets		35,449,770	35,449,770
TOTAL ASSETS		35,674,266	35,599,855
NET ASSETS		35,674,266	35,599,855
FUNDS			
General Funds		35,674,266	35,599,855
TOTAL FUNDS		35,674,266	35,599,855

The accompanying notes form part of these financial statements.

Howard Hinton Trust

ABN: 23 559 426 439

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011		General Funds	Total
		\$	\$
Balance at 1 July 2010		35,599,855	35,599,855
Net surplus/(deficit) from operations		74,411	74,411
Balance at 30 June 2011		35,674,266	35,674,266
2010		General Funds	Total
		\$	\$
Balance at 1 July 2010		35,537,645	35,537,645
Net surplus/(deficit) from operations		62,210	62,210
Balance at 30 June 2010		35,599,855	35,599,855

The accompanying notes form part of these financial statements.

Howard Hinton Trust

ABN: 23 559 426 439

Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Cash from operating activities:			
Receipts from Armidale Dumaresq Council		220,000	-
Payments to suppliers		(53,379)	(41,264)
Interest received		6,147	1,198
Net cash provided by (used in) operating activities	8	<u>172,768</u>	<u>(40,066)</u>
 Net increase (decreases) in cash held		172,768	(40,066)
Cash at beginning of financial year		<u>30,833</u>	<u>70,899</u>
Cash at end of financial year	3	<u><u>203,601</u></u>	<u><u>30,833</u></u>

The accompanying notes form part of these financial statements.

Howard Hinton Trust

ABN: 23 559 426 439

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies

(a) General information

The financial statements cover 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 statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Trust Deed.

The financial statements have 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: Statement of Cash Flows:

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 these statements 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.

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 2011

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

(g) Change in accounting policy

The trust changed its accounting policy relating to the Armidale Teacher College Art Collection. In prior years the Armidale Teachers College Art Collection has been included in the Hinton Collection within the Howard Hinton Trust. During the year it was decided to remove the Armidale Teachers College Art Collection valued at \$951,950 as the ownership of the collection more correctly vests with the University of New England. As a result the Armidale Teachers College Art Collection has been retrospectively removed from these financial statements and the comparative figures restated.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2011 is a decrease in the Hinton Collection of \$951,950 and a decrease in the general funds within the Howard Hinton Trust of \$951,950.

2 Revenue

	2011 \$	2010 \$
Revenue		
- Interest received	6,409	1,198
- Armidale Dumaresq Council Contribution	100,000	100,000
Total Revenue	106,409	101,198

3 Cash and cash equivalents

	2011 \$	2010 \$
Cash at bank	113,601	30,833
Short-term bank deposits	90,000	-
	203,601	30,833

Howard Hinton Trust

ABN: 23 559 426 439

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Trade and Other Receivables

	2011 \$	2010 \$
CURRENT		
Trade receivables	-	100,000
	-	100,000
Other receivables	3,790	3,528
	<u>3,790</u>	<u>103,528</u>

5 Collection Assets

	2011 \$	2010 \$
Hinton Collection		
At fair value	35,449,770	35,449,770
Total Collection Assets	<u>35,449,770</u>	<u>35,449,770</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	35,449,770	35,449,770
Carrying amount at the end of year	<u>35,449,770</u>	<u>35,449,770</u>

6 Other Assets

	2011 \$	2010 \$
CURRENT		
Prepayments	17,105	15,724
	<u>17,105</u>	<u>15,724</u>

Howard Hinton Trust

ABN: 23 559 426 439

Notes to the Financial Statements

For the Year Ended 30 June 2011

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

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Net income for the period	74,411	62,210
Cash flows excluded from profit attributable to operating activities		
(Increase)/decrease in trade and term receivables	99,738	(103,527)
(Increase)/decrease in prepayments	(1,381)	1,251
Cashflow from operations	<u>172,768</u>	<u>(40,066)</u>

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

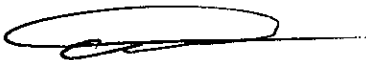
The directors declare that the trust is not a reporting entity. The directors determined that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements:

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 8, present fairly the trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; 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 19 October 2011

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

p +61 2 6773 8400
f +61 2 6772 9957
e armidale@forsyths.com.au

Howard Hinton Trust

ABN: 23 559 426 439

Independent Audit Report to the members of Howard Hinton Trust

Report on the Financial Report

We have audited the accompanying financial statements, being special purpose financial statements, of Howard Hinton Trust, which comprises the statement of financial position as at 30 June 2011, and the income statement, 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 statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Trustee 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 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 evaluating the overall presentation of the financial statements.

The financial statements have 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 statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Knowledge with integrity

Howard Hinton Trust

ABN: 23 559 426 439

Independent Audit Report to the members of Howard Hinton Trust

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 Australian professional ethical pronouncements.

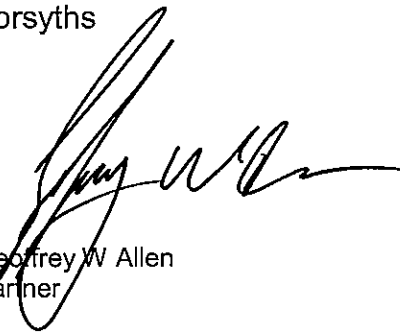
Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Howard Hinton Trust as of 30 June 2011 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.

Basis of Accounting

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

Forsyths



Geoffrey W Allen
Partner

92 Rusden Street, Armidale NSW

19 October 2011



Chandler Coventry Trust

ABN: 79 543 509 572

Financial Statements

For the Year Ended 30 June 2011

Chandler Coventry Trust

ABN: 79 543 509 572

For the Year Ended 30 June 2011

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Chandler Coventry Trust

ABN: 79 543 509 572

Trustee's Report

30 June 2011

Your directors present their report on the trust for the financial year ended 30 June 2011.

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 19 October 2011

Chandler Coventry Trust

ABN: 79 543 509 572

Income Statement

For the Year Ended 30 June 2011

Revenue	-	-
Other expenses	-	-
	<hr/>	
Total net surplus/(deficit) from operations	-	-
	<hr/>	

The accompanying notes form part of these financial statements.

Chandler Coventry Trust

ABN: 79 543 509 572

Statement of Financial Position

30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Non-current assets			
Plant and equipment	2	2,888,800	2,888,800
Total non-current assets		<u>2,888,800</u>	<u>2,888,800</u>
TOTAL ASSETS		<u>2,888,800</u>	<u>2,888,800</u>
NET ASSETS		<u>2,888,800</u>	<u>2,888,800</u>
FUNDS			
General Funds		<u>2,888,800</u>	<u>2,888,800</u>
TOTAL FUNDS		<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 2011

2011		General Funds	Total
		\$	\$
Balance at 1 July 2010		2,888,800	2,888,800
Balance at 30 June 2011		2,888,800	2,888,800
2010		General Funds	Total
		\$	\$
Balance at 1 July 2010		2,888,800	2,888,800
Balance at 30 June 2010		2,888,800	2,888,800

The accompanying notes form part of these financial statements.

Chandler Coventry Trust

ABN: 79 543 509 572

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies

(a) General information

The financial statements cover 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 statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Trust Deed.

The financial statements have 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 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 these statements 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.

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 2011

2 Collection Assets

	2011 \$	2010 \$
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

3 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.

4 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.

5 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 declare that the trust is not a reporting entity. The directors determined that these special purpose financial statements should be prepared in accordance with the accounting policies set out in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 2 to 6, present fairly the trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; 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 19 October 2011

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

p +61 2 6773 8400
f +61 2 6772 9957
e armidale@forsyths.com.au

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 statements, being special purpose financial statements, of Chandler Coventry Trust, which comprises the statement of financial position as at 30 June 2011, and the income statement 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 statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Trustee 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 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 evaluating the overall presentation of the financial statements.

The financial statements have 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 statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Knowledge with integrity

Chandler Coventry Trust

ABN: 79 543 509 572

Independent Audit Report to the members of Chandler Coventry Trust

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 Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chandler Coventry Trust as of 30 June 2011 and of its financial performance for the year then ended in accordance with the 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 statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the members and Trustee. As a result, the financial statements may not be suitable for any other purpose.

Forsyths



Geoffrey W Allen
Partner

92 Rusden Street, Armidale NSW

19 October 2011