

New England Regional Art Museum

Annual Report

2015-16



CONTENTS

PART A	ABOUT NERAM	3
	CHAIR'S REPORT	4
	DIRECTOR'S REPORT	6
	PROFILE PROJECTS	10
	EXHIBITIONS & EVENTS	12
	ACQUISITIONS	14
	LOANS & TOURING EXHIBITIONS	15
	PEOPLE & SUPPORTERS	16
	NERAM INFORMATION	20
	VOLUNTEERS	21
	APPENDIX I	23
PART B	FINANCIAL STATEMENTS 2015-2016	25



ABOUT NERAM

VISION

A dynamic arts centre for:

- Connecting people
- Creating memorable cultural experiences and opportunities
- Celebrating, developing and preserving our iconic collections

MISSION

NERAM is committed to providing a well-resourced cultural centre that embraces dialogue, interaction and learning; that encourages the exploration and discovery of our outstanding collections; and that connects our community and its visitors with art.

CONNECTING people

We connect with our diverse community. We share stories, interact, and provide a gathering place where everyone is welcome. We support our local artists. We engage with our stakeholders and we build and strengthen partnerships to provide opportunities for creative collaborations.

CREATING memorable cultural experiences and opportunities

We aim for a diverse range of inspiring exhibitions and events. NERAM is a place to return to. We encourage interaction, dialogue, exploration and discovery, both here and beyond our walls.

CELEBRATING, developing and preserving our iconic collections

We celebrate the stories of our collections, and the passion of our collectors and donors. We are responsible for overseeing, preserving and making accessible our iconic collections of Australian art.

The sense of ownership and purpose among our community is our second most valuable asset, ranking just behind the artworks that we have been given over the years.

CHAIR'S REPORT

Welcome to this Annual Report presentation for the 2016 financial year. Another busy and successful year.

Our new Museum Director, Mr Robert Heather started at NERAM on the 1st September 2015 and he soon realised what a busy place NERAM can be. Robert comes to NERAM with a great track record in running regional galleries as well as valuable exposure to larger metropolitan galleries and he is very enthusiastic about the future of NERAM. Robert should be very proud of the progress he has made at NERAM in his first year.

With the resignation during the year of our Curator, Philippa Charley-Briggs and Development Officer, Tanya Robinson it was decided by the Board and the Director that this provided an opportunity to realign the roles and responsibilities of all staff to the demands of running the Museum. The Director will cover this in his report but it is important to note that the Board recognises the personal disruption that this has caused to some people and while this was difficult and regrettable we want to reassure the NERAM community that the long term growth and prosperity of NERAM was always our overriding priority.

My sincere thanks our Patrons, The Hon Barnaby Joyce MP, Mr Adam Marshall MLA, Dr Philip Bacon AM and Mr Barry Pearce AM for their strong support of NERAM. Each of them maintain an active interest in the Museum and are ready to provide support whenever it is requested.

Mr David Thomas took over the operation of the café in August 2015 and he and his team have been a most welcome addition to the NERAM family. The popularity of the newly named Studio 52 café is a testament to the quality of the food and service provided under David's management.

Fundraising is such an important part of life for any public art gallery. We are partly funded by the Armidale Regional Council and many people believe we should be fully funded by them. This is not the view of the Board or the Director. We are very thankful for the support that the Council and the State Government provide to us - it underpins our operations and it is essential to us. Because we are not part of the Council and we rely on our own resources for

almost 50% of our funding, we have the freedom to grow and develop in ways that best suit our community and our unique capabilities. In this last year we have received valuable commitments from our governments and our supporters. Namely:

- An Arts NSW grant to replace our old 150w lights with new and efficient 13w LED lighting;
- Donations from our supporters for \$60,000 to match this grant and allow the project to proceed;
- A 10 year interest free loan of \$100,000 from a donor to allow us to put solar panels on the roof of the Gallery – this will save us \$18,000 per annum in power charges and allow us to repay the loan and bank some savings as well;
- Our annual appeal has provided NERAM with \$11,450 for solar panels, \$4,200 for Adopt and Artwork and \$16,495 for the NERAM Foundation;
- We received 11 wonderful works of art this year from the late John Gale OBE – these are valued at \$1.2m and they will be added to the Hinton Collection;
- The Armidale Regional Council under the leadership of Dr Ian Tiley, offered to write off the \$152,000 book debt that we had with the Council if we could reduce it to \$100,000;
- A most generous local couple heard of this and offered to donate the remaining \$52,000 to enable the elimination of this debt;

- Finally, we have received a commitment of \$240,000 to re-clad and insulate the walls of our building from the Armidale Regional Council and the NSW Government. We need to find supporting funds of \$75,000 and we have a grant application submitted to cover part of this.

Much of this generosity has been provided because we are not a fully funded Council art museum and because we have such widespread, enthusiastic and dedicated local support. The sense of ownership and purpose among all of our community is our second most valuable asset, ranking just behind the artworks that we have been given over many years.

The NERAM Foundation finished the year with \$364,724

“we have such widespread, enthusiastic and dedicated local support.”



Adam Marshall, Member for Northern Tablelands; Andrew Murray, Chair, NERAM; Helen Carroll, Curator Wesfarmers Collection, The Hon Barnaby Joyce MP, Member for New England

invested and it paid \$16,000 from its investment income to NERAM to support operational activities. I would like to recommend Foundation donations to all NERAM supporters as a way of ensuring that future for our Art Museum is a vibrant one. Thank you to Peter Lloyd for continuing as the Chair of the Foundation and Trusts Committee this year.

The Friends of NERAM, ably lead again by Martha Saw, continue to provide great support to NERAM. The impact of the Friends volunteers is considerable. The volunteers prepare and serve food at our openings, provide the bar facilities, they run numerous fundraising events and provide valuable support to gallery activities. The unselfish energy and spirit of the Friends group underpins the warmth that makes the NERAM community so welcoming to all.

Thanks also to the hard working Packsaddle committee. The annual Packsaddle Exhibition is a highlight of the NERAM calendar. It brings a broad and vibrant range of works to art lovers within the region, it attracts record crowds each year and raises funds for the continuing improvement of the NERAM collections.

The Board has been a very effective force in guiding NERAM through the past year. We were very sorry to lose Sandra McMahon from the Board during the year as her

commitments to her own Weswal Gallery made it difficult for her to support NERAM as she wanted to. We are lucky to have Carley McLaren from Walcha joining the Board to replace Sandra. Sadly Carolyn Cooper also resigned as her new and expanded work role at Roberts and Morrow has left her with too little time to for her board role – she was immediately missed but she has been ably replaced by Kathleen Steinhardt, a Chartered Accountant from Crowe Horwath in Inverell. My particular thanks to Steve Gow for his support as Deputy Chair. All of the Board members have a keen interest in the progress and security of NERAM and they work hard behind the scenes to ensure that this important local institution is well governed.

To all Board Members, Robert, the hard working Staff of NERAM, our Donors, Volunteers and those that support us though Friends and Packsaddle I offer my personal thanks for everything that you bring to NERAM both individually and collectively. Merry Christmas to you all.

Andrew Murray

NERAM holds one of the most significant collections of Australian art in regional Australia. The combined artworks ... are unique in their ability to cover the range of Australian art.

DIRECTOR'S REPORT

The New England Regional Art Museum holds one of the most significant collections of Australian art in regional Australia. The combined artworks held in the Howard Hinton Collection, the Chandler Coventry Collection, the Armidale City Collection, the NERAM Collection and the Museum of Printing Collection are unique in their ability to cover the range of Australian art.

It is our aim that the NERAM facilities and programs are of the same standard and quality as the artworks which we hold for future generations and the wider community. The past twelve months of activities, exhibitions and events has been based upon the philosophy that we need to present a range of programs which help to raise community awareness of the collections as well as increase access to them. This philosophy has been articulated through our Sustainable NERAM guidelines which has informed our decision making, fundraising and prioritizing over the past twelve months, especially with regards to building issues.

The exhibitions program has been designed to present our visitors with a range of artistic and cultural experiences, enable the community to discover and learn more about the collections here at NERAM, and create opportunities for local artists, creators and cultural groups to present their work to a broad audience. The number of visitors coming to see exhibitions, attend workshops and classes, eat at the café and participate in other activities totalled 39,281 people in the financial year, with NERAM receiving lots of positive feedback about our exhibitions and programs.

This year we have worked effectively with our funding partners at the Armidale Regional Council, Arts NSW and the Margaret Olley Art Trust to create a high level of involvement in a number of projects to improve our facilities here at NERAM. In 2016 we started on a triennial funding agreement from Arts NSW at the higher level of \$60,000 a year (2016-19) and received a Regional Capital Grant of \$60,000 towards replacing our incandescent lighting system with energy efficient LED lights (which happened in August 2016). By

working effectively with the interim administration at the new Armidale Regional Council we saw the announcement of the waiving of NERAM's 'debt' in July 2016 and planning for significant building work to happen in early 2017, when we raise the required funds. One of the keys to moving forwards on building issues has been our ability to effectively raise funds to contribute towards major projects and it has been the support of our donors and sponsors which has made this possible.

The support of the wider community is essential to the success of the New England Regional Art Museum, so we run programs and activities that reach across the whole community and get them involved in NERAM as much as possible. The key to this has been to provide a quality visitor experience as well as to provide exhibitions and activities which inspire and appeal to a broad range of people. The re-opening of the gallery café as Studio 52 definitely contributed towards our success over the last year providing our visitors with a complete range of services and experience. We thank David Thomas and his team for their hard work and wonderful food, which has helped to make NERAM into a must-visit destination.

In 2015-16 we have been privileged to host a number of touring exhibitions here at NERAM which have attracted a diverse range of visitors including:

- **Luminous World** exhibition from the Wesfarmers Collection
- **2015 Archibald Prize** on tour from the Art Gallery of New South Wales
- The **Bimblebox** and **Offshoots** environmental art exhibitions from Museums and Galleries Queensland
- **Shaun Tan: the Lost Thing** from ACMI

The collections at NERAM have been showcased through exhibitions such as:

- The wonderful watercolours of Margaret Coen and the generosity of her daughter Meg Stewart were given prominence in the wonderful exhibition **Coen's Circle** curated by Philippa Charley-Briggs;
- The issues facing conservators working with art collections and NERAM's award-winning Adopt-an-Artwork program

a quality visitor experience as well as exhibitions and activities which inspire and appeal



Robert Heather, Art Museum Director, NERAM and His Excellency General, the Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales

- were profiled in the exhibition **Operation Preservation**, curated by Jennifer Butler;
- The diversity of Australian landscape artists from the collection in the exhibition **Views of Landscape** curated by Robert Heather.

A diverse range of local artists showed their work at NERAM throughout the year including school students from across the region in the 2015 UNESAP exhibition and students from NERAM's art classes as well as artists David Allan, Frances Altar, Stuart Boggs, Jan Clark, Trish Donald, Pat Elkin, Lizzie Horne, Chris Hundt, Anne Irvine, Jonathon Larsen, Rowan Matthews, Lucy McCann, Fiona McDonald, Ned McDowell, Rosalie Rigby, Megan Robinson, Elouise Roberts and Raphaela Rosella.

NERAM ran a wide range of events, workshops, art classes, talks and other activities as well as working in partnership with other organisations in our local community to create an active facility. Some partnership highlights included:

- The 2015 UNE International Students Photography Award;
- The 2015 Black Gully Music Festival organised by Armidale Tree Group and other environmental organisations;
- The Ascent Group celebrating their 60th anniversary with a special art exhibition and event;

- Concerts held in association with the 2016 New England Bach Festival;
- Writer workshops in association with the New England Writers Centre's Booked-IN Festival;
- Professional development workshops and event organised by Arts North West;
- Two Arts in the Pub events held in partnership with Beyond Empathy and UNE;
- The Adopt-an-Artwork conservation workshop and public lecture presented in partnership with the University of New England.
- **Out of the Frame** performances at TAS Hoskins Centre
- **HOME** photographic exhibition in partnership with Beyond Empathy and Multicultural NSW

In December 2015 the Board of the New England Regional Art Museum held a historic joint meeting with the Board of the Armidale and Region Cultural Centre and Keeping Place and the first steps towards writing a Memorandum of Understanding between our two neighbouring organisations (which was signed in July 2016) which covers a range of joint activities and programs.

DIRECTOR'S REPORT

In early 2016 NERAM was honoured to host a meeting of the local arts community with His Excellency General The Honourable David Hurley AC DSC (Ret'd) Governor of New South Wales and Mrs Hurley on 22 January 2016. Soon afterwards on 19 February NERAM hosted an Armidale Dumaresq Council civic reception for His Excellency General the Honourable Sir Peter Cosgrove AK MC (Ret'd) Governor General of the Commonwealth of Australia and Her Excellency Lady Cosgrove who were visiting Armidale.

The organisation also went through a number of changes: Development Co-ordinator Tanya Robinson left Armidale in early 2016 to take up the new role of Director of the Ashburton Museum and Gallery in New Zealand. We were also sorry to lose Shop Manager Sam Byrnes, Curator Philippa Charley-Briggs and Finance Officer Anne Rocznik who departed the Gallery.

Following these staff changes the Director worked with a sub-committee of the Board to restructure the organisation which also led to the departure of Christine Durham (Deputy

NERAM Collections were given a high profile on site and through significant loans

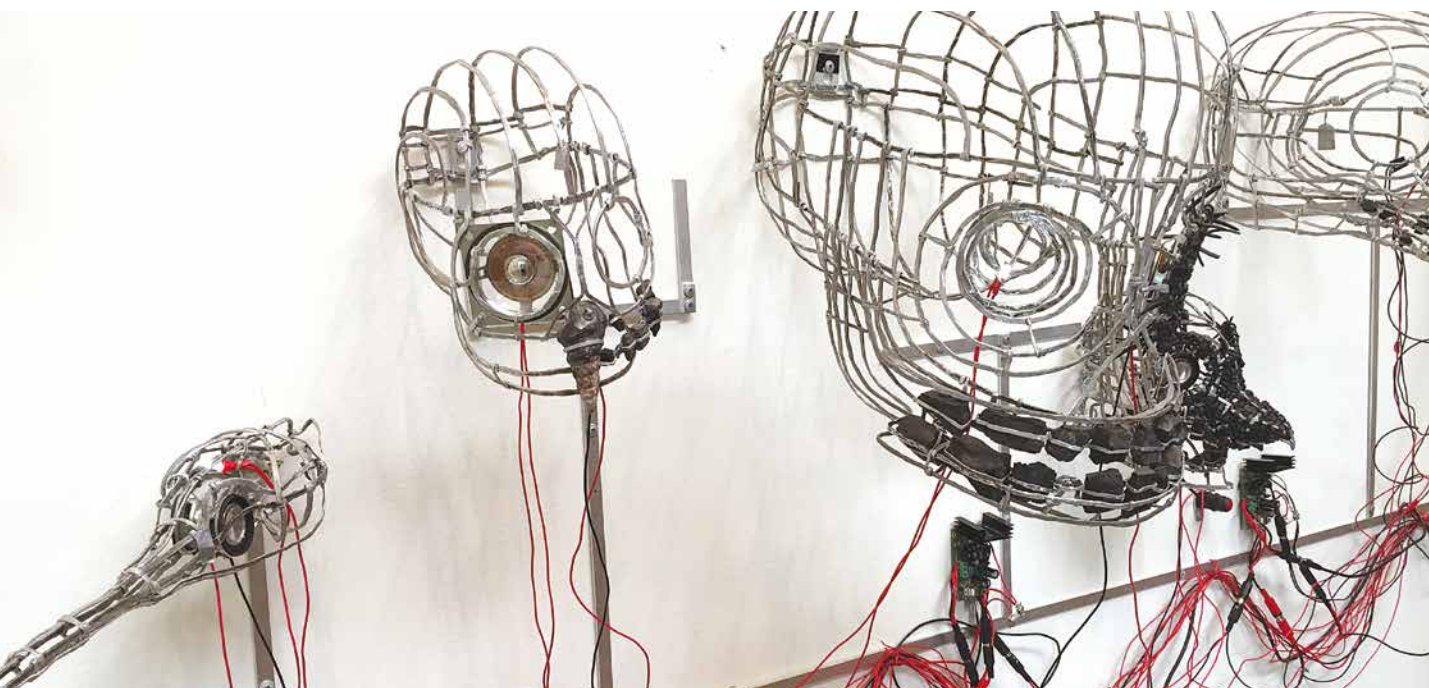
Director, Operations and Education) and Dr Benjamin Thorn (Museum Officer/Museum of Printing). New roles of Manager, Curatorial and Exhibitions; Front-of-House Co-ordinator; Administration Officer and Gallery Assistant were created and advertised as part of a recruitment process. The new

team appointed in June 2016 includes Rachael Parsons, Manager, Curatorial and Exhibitions; Sarita Dutoit, Front-of-House Co-ordinator; Tania Hollis, Administration Officer and Wayne Koppel, Gallery Assistant.

In late 2015 Tom Robert's *Mosman's Bay* travelled to Canberra to take pride of place in the National Gallery of Australia's summer blockbuster **Tom Roberts** retrospective exhibition, where it was seen by over 100,000 visitors. But throughout the year the NERAM Collections were given a high profile

through exhibition on site at the gallery as well as through loans to other significant exhibitions such as:

- **Endless Pleasure: the Art of Gardens & Gardening** at Carrick Hill Historic House and Garden in Adelaide, SA



Bimblebox exhibition 2016



Visiting the Art Store at NERAM

- **Stelarc** at Coffs Harbour Regional Gallery
- **Destination Sydney** at Manly Art Gallery
- **Ann Thomson and Contemporaries** at the National Art School, Sydney

During this time NERAM also successfully launched the tour of the **Art of Wool** exhibition and worked with our partners at Hazelhurst Regional Gallery and Art Centre to develop the exhibition **Treasures of Australian art 1890-1950: The Howard Hinton Collection** for display in August 2016 and a potential tour. The transfer of the Armidale City Collection of over 300 artworks into the ownership of the New England Regional Art Museum was also managed effectively and the donation of 11 historically significant Australian artworks from Canberra art collector John Gale OBE to NERAM through the Commonwealth Government's Cultural Gifts Program has complemented the works in our Howard Hinton Collection.

Building improvements during 2015-16 have included:

- Window tinting and new blinds for offices, museum shop and gallery spaces to improve energy efficiency;
- New signage at NERAM entrance to improve brand recognition and promote exhibitions;
- Repainting frame and replacement café awning;

- Redesign of front-of-house/foyer to facilitate visitor orientation;
- Redesign and recarpeting offices to improve amenity for staff;
- Clean-up and tiling in Packsaddle art classroom to improve usability and workplace health and safety.
- Repairs to NERAM's courtyard and new signage at entrance to improve brand recognition and promote exhibition

A grant of \$8660 from the Commonwealth Government's Community Heritage also enabled NERAM to build and install new works on paper storage in the mezzanine area of the Art Storeroom. The Friends of NERAM Ltd have also been working with the Armidale Tree Group and Ducats Earthmoving to upgrade and replant the environment around the creek in the Black Gully behind NERAM.

NERAM enjoys a high level of community engagement through our Board, Volunteer Program, the Friends of NERAM Inc and Packsaddle. These groups and many other individuals all provide support to NERAM through donating their time, money and other support. I would like to thank everyone who has been involved in our program and activities over the past twelve months at NERAM. The support of the wider community is essential to NERAM's success and prosperity so thanks to all of our funding bodies, sponsors, donors, supporters and visitors for putting their faith in NERAM.

I would also like to give a special thanks to the staff and volunteers who make an incredible contribution towards the success of NERAM. This year has seen a lot of challenges and changes which has caused some disruption for everyone involved. However as we enter a new year it has been great to see the enthusiasm and support which NERAM receives from the people who are involved in making everything happen at the front desk and behind the scenes. It is this energy which makes it possible for us to move forwards into a successful and dynamic future.

Robert Heather

Art Museum Director

PROFILE PROJECTS

'The Adopt-an-Artwork project has generated a community of stakeholders who are interested in supporting conservation issues associated with NERAM's collection and engaging them in an ongoing manner.'

– MGNSW Imagine Awards entry



Museum of Printing Letterpress artist residency

NERAM received \$3,000 funding from Regional Art NSW through the Country Arts Support Program (CASP) to host Canberra based letterpress artist Caren Florance as artist-in-residence at the Museum of Printing from 2-9 April 2016. The residence included:

- a short practical workshop for NERAM volunteers and staff on letterpress type (10 participants);
- a presentation as part of the Arts in the Pub series of talks in partnership with Beyond Empathy and UNE (40 people attending);
- a two day workshop on 'self-publishing by hand' presented in partnership with the New England Writers Centre (18 participants).

The project went well with good participation in the activities and led to the establishment of a new group of volunteers interested in assisting with MOP operations. It also engaged with the growing letterpress community around Australia.



Art of Wool touring exhibition

The Art of Wool exhibition was developed as a partnership with Australian Wool Innovation. The exhibition of garments from the Woolmark Awards matched with artworks from the NERAM Collections was curated by Tanya Robinson and displayed at NERAM in 2015 and a grant from the Commonwealth Government's Visions of Australia funding program will enable the exhibition to be toured to other venues from 2016-18.

The exhibition showed at two venues in 2015-16:

8 April – 21 May 2016 Goulburn Regional Art Gallery (1662 Visitors)

20 June – 14 August 2016 Hamilton Art Gallery (5758 visitors)



Adopt-an-Artwork program

NERAM's Adopt-an-Artwork program enables people to make a donation to support the conservation of a specific work from the NERAM collection. Since it launched in 2015 the program has raised over \$170,000 towards the treatment of over 100 paintings, prints, drawings and watercolours from the collection including 'dollar for dollar' grants from Creative Partnerships Australia and the Commonwealth Government's Stronger Communities Fund. Associated activities have included:

- The Operation Preservation exhibition (14 November 2015-18 September 2016) curated by NERAM Registrar Jennifer Butler to help inform visitors about conservation issues, techniques and practices;
- A Conservation Workshop at NERAM in April 2016 held with support from the University of New England. Two visiting conservators from International Conservation Services in Sydney and the Grimwade Centre for Cultural Materials Conservation at the University of Melbourne assessed artworks and provided a 'behind-the-scenes' presentation for Adopt-an-Artwork donors;

- A free public lecture on the 'Challenges of Conservation' by Julian Bickersteth, Managing Director of International Conservation Services which included a display of the 'Aurora Australis' rare book from the UNE Collection.

The Adopt-an-Artwork program has been successful in engaging new donors with NERAM and was Highly Commended in the 2015 Northern Inland Innovation Awards (Retail, Tourism and Leisure category).

Adopt-an-Artwork has raised over \$170,000 towards the treatment of over 100 artworks

EXHIBITIONS & EVENTS

NERAM ran a wide range of events, workshops, talks and other activities as well as working in partnership with other organisations in our local community to create an active facility.

8th July 2015
School Holiday ARTplay Day
(21 people)

12th July
NEWC Create a Picture Book Session
(10 people)

17th July 2015
Exhibition Opening (260 people)
– *2015 UNE Schools Art Prize*

29th July 2015
ArtsNSW Community Arts and Disability Forum (30 people)

8th August 2015
Out of the Frame Fundraising Event
(180 people)

14th August 2015
Exhibition Opening (260 people)
Luminous World
Operation Preservation
Chris Hundt: Pegging Out
pARTicipate III

15th August 2015
Luminous World Floor Talk (21 people)

21st August 2015
UNE International Students
Photography Award (150 people)

30th August 2015
Arco String Quartet Music Concert (100 people)

9th October 2015
Exhibition Opening (80)
One Work
Jonathon Larson: Made In Australia

25th October 2015
Black Gully Festival (800 people)

30th October 2015
Exhibition Opening (290)
Packsaddle Fundraising Exhibition

31st October 2015
Packsaddle Idris Murphy Artist Talk (50 people)
One Work Artist Talk (20 people)
Ascent Group 60th Anniversary Opening (150 people)

7th November 2015
James White Artist Talk (18 people)
An Australian Satire Performance (13 people)
Jonathan Larson Artist Talk (14 people)

14-15th November
Basil Hall Print Making Workshop (15 people)
Basil Hall Artist Talk (23 people)

20th November 2015
Exhibition Opening (150)
The Archibald Prize Tour 2015
Imagining Space

Moving House
NERAM's Postcard Show

21st November 2015
Peter & Susan O'Doherty Artist Talk
Tanja Karl Artist Talk (10)

1st December 2015
Anne Ryan Curator's Talk (45)

5th December 2015
Friends of NERAM Christmas Party
(50 people)

9th December 2015
Annual General Meeting (22 people)

22nd January 2016
Governor's Lunch (24 people)

31st January 2016
Young Archie Competition Awards
(30 people)

5th February 2016
Exhibition Opening (125 people)
Bimblebox
Coen's Circle
Rosalie Rigby: Our Threatened Land
Interactive

23rd February 2016
Arts in the Pub (50 people)
Can Art Save the Planet?

6th March 2016
Beth Jackson Curators Talk (30 people)
Meg Stewart Floor Talk (15 people)

9th March 2016
Light up NERAM Fundraiser Dinner
(48 people)

13th March 2016
Friends of NERAM Annual General Meeting (no recorded numbers)

18th March 2016
Cultural Leaders New England and North West Network Professional Development Day (12 people)
Exhibition Opening (100 people)
Offshoots
Jan Clark – Insecta



Shaun Tan's The Lost Thing: from Book to film 2016

19th March 2016
Julie McEnemy Mixed Media Workshop
(5 people)

2nd – 3rd April
NERAMBLE (450 people)

2nd – 9th April 2016
Caren – Florence Artist in Residence
Hand-on Letterpress workshop
(18 people)

7th April 2016
Arts in the Pub (35 people)
Words and Art

13th April 2016
Adopt an Artwork Donors Day
(20 people)

14th April 2016
Challenges of Conservation lecture
(80 people)

20th April 2016
Insects Alive Workshop (15 people)

30th April 2016
Coloured Pencil Workshop (10 people)

2nd May 2016
Exhibition Opening (110 people)
Shaun Tan's The Lost Thing
If you go into the woods

7th May 2016
Bach Festival Concert (60 people)
NEWC Author and Illustrator Panel
(20 people)
Bookalil/ Wright Fashion Launch
(180 people)

8th May 2016
Bach Festival Concert (90 people)

12th May 2016
Jeremy Staples Failure Talk (7 people)

22nd June 2016
Ascent Group & Arts North West
Careers Workshop (20 people)

24th June
Exhibition Opening (130 people)
Views of Landscape
BE: Home
I=PC2



2015 Packsaddle exhibition



Young Archies project 2016

ACQUISITIONS



Herbert Badham, *The Grocer's Shop* 1943

The New England Regional Art Museum acquired 20 works of art in the year through individual donors.

All met the requirements of the Art Museum's Collections Policy.

Suzanne Forsyth Hatch
Untitled (ceramic vase), 2014,
Anonymous Donation through the
Friends of NERAM

Pat Elkin
Fire too Close,
Acrylic on canvas, 2015
Gift of Helen Eager and
Christopher Hodges 2015

Mike Nicholls
Figure & Bird
Ink on paper, n.d.
Purchased

Chandler Coventry
Untitled
Oil on canvas on board, n.d.
Purchased

Mirdidingkingathi Juwarnda
Sally Gabori
Dibirdibi Country
Synthetic polymer on linen, 2007
Donated through the Australian
Cultural Gifts Program in memory of
Joan Kathleen Milne



Artists Peter and Susan O'Doherty

Rupert Bunny
Untitled (seated portrait of Jeannie beside rose trellis)
Oil on canvas, 1913
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Herbert Badham
The Grocer's Shop
Oil on board, 1943
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Adrian Feint
Hibiscus
Oil on canvas, n.d.
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Elioth Gruner
Untitled (beach painting)
Oil on board, n.d.
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Elioth Gruner
Untitled (pastoral scene with cow)
Oil on board, 1920
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

J.J. Hilder
Sheep on a Country Road
Watercolour on paper, n.d.
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Hans Heysen
Untitled (cattle in a farmyard scene)
Watercolour on paper, 1922
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Deaccessioning No works were deaccessioned during the 2015-16 financial year.

Desiderius Orben
Centennial Park
Watercolour & pastel on paper, n.d.
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Septimus Power
Untitled (horse pulling logs)
Watercolour on paper, 1923
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Arthur Streeton
Heroic Lane, The Blackwood Tree
Oil on canvas, n.d.
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Arthur Streeton
Watsons Bay, Sydney Heads
Oil on drapers panel, 1921
Donated through the Australian
Cultural Gifts Program by John Gale in
Memory of Jenny and Leslie Gale 2015

Peter O'Doherty
Kingscliff Bungalow
Acrylic on canvas, 2010
Gift of Peter O'Doherty 2016

Susan O'Doherty
Moving House
Mixed media assemblage, 2013
Gift of Susan O'Doherty 2016

Jonathon Larsen
Made in Australia
Folio of 19 linoprints, 2015
Gift of the Packsaddle Fundraisers 2016

Jörg Schmeisser
Potoksar
Coloured etching, 1985-86
Gift of the Packsaddle Fundraisers 2016

12 of these works were donated
through the Australian Government's
Cultural Gifts Program in 2015/16.

LOANS & TOURING EXHIBITIONS

For me the most impressive painting in this section of the exhibition is *Station* (1986) a gem from the New England Regional Art Museum.

– Craig Judd, *Artlink Magazine*

NERAM made available 47 works which were loaned out for significant curated exhibitions or as part of touring exhibitions at art galleries, museums and other institutions in New South Wales, South Australia and Victoria.

LOANS



Tom Roberts *Mosman's Bay travelled to Canberra*

Venue: Carrick Hill Historic House & Garden
Exhibition: *Endless Pleasure: the Art of Gardens & Gardening*
Dates: 1st July 2015 – 28th February 2016
Work: Adrian Feint

Venue: Coffs Harbour Regional Gallery
Exhibition: *From a Country Garden*
Dates: Oil on canvas, 1943
Gift of Howard Hinton 1943

Venue: Coffs Harbour Regional Gallery
Exhibition: *Stelarc*
Dates: 17th July – 20th August 2015
Works: Folio of 10 etchings on paper by Stelarc
Gift of Max and Janie Miller 2001

Venue: Manly Art Gallery
Exhibition: *Destination Sydney*
Dates: 5th December 2015 – 14th February 2016
Work: Lloyd Rees

Venue: National Gallery of Australia
Exhibition: *The End of the Garden*
Dates: Oil on canvas on board, 1936
Gift of Howard Hinton 1939

Venue: National Gallery of Australia
Exhibition: *Tom Roberts Retrospective*
Dates: 4th December 2015 – 10th April 2016
Work: Tom Roberts
Mosman's Bay

Oil on canvas, 1894
Gift of Howard Hinton 1933

Venue: The National Art School
Exhibition: *Ann Thomson and Contemporaries*
Dates: 26th May – 23rd July 2016
Work: Ann Thomson
Station

Oil on canvas, 1986
Anonymous Donation with the assistance of the
Agapitos/Wilson Art Foundation

TOURING EXHIBITIONS

The Art of Wool

The Art of Wool exhibition is presented by The Woolmark Company and New England Regional Art Museum. This project has been assisted by the Australian Government through the Ministry of the Arts Visions of Australia program.

The Art of Wool touring exhibition visited two venues in 2016. These were:

1. The Goulburn Regional Art Gallery, NSW (8 April – 21 May 2016)
2. Hamilton Gallery, VIC. (20 June – 14 August 2016)

The Tour includes 44 garments from the collections of Australian Wool Innovations, including Winners of the 2013, 2014 & 2015 International Woolmark Prize, and 33 artworks from across the NERAM Collections.



Artist and wool farmer Jenny Bell with Jane Cush, Director, Goulburn Regional Gallery at opening of *The Art of Wool* in Goulburn

RENTALS

Venue: Armidale Regional Council
Location: The Office of the Administrator
Work: Daphne Wallace
Clan Pan Waterholes
Oil on Canvas, 2000
Gift of the Packsaddle Fundraisers 2002

We believe the exhibition helped connect us with local farmers who otherwise would never have entered the gallery.

– Hamilton Gallery about *The Art of Wool* touring exhibition

PEOPLE & SUPPORTERS

NERAM is fortunate to be supported by a strong and active community base, from significant stakeholders to committed and dedicated volunteers.



Tony Spring, Bob Lemcke, Elizabeth Spring and Bill Dangar receive Recognition of Service awards from Friends of NERAM

Key Stakeholders

Friends of NERAM Inc – The Friends play such a vital role in supporting NERAM, through providing funding for specific projects when required but but also in volunteer labour - catering at openings and other functions throughout the year which allows NERAM to provide a variety of activities despite limited resources. Friends events such as this year's successful NERAMble in April provided opportunities to engage the wider community, support local artists and fundraise in a fun and friendly way. At their AGM the Friends of NERAM also recognised the long term support of NERAM by Bill Dangar, Tony and Elizabeth Spring and Robert (Bob) Lempke who were given a Recognition of Service Award.

Packsaddle Fundraisers – This year they have supported NERAM to acquire new works by Jonathon Larsen and Jorg Schmeisser for the collection as well as making a leadership donation of \$10,000 towards the Light Up NERAM fundraising project.

The Margaret Olley Trust continued its partnership with NERAM, donating \$112,000 to assist with staffing infrastructure and salaries



His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) Governor General of the Commonwealth of Australia at NERAM

Operational Funding

Armidale Dumaresq Council/Armidale Regional Council is the principal source of funding for NERAM's operations, with a service agreement which provided \$324,050 in 2015-16.

The Margaret Olley Art Trust provided NERAM with \$112,885 this financial year.

In late 2015 NERAM signed a new triennial funding agreement with Arts NSW who now assist with an annual grant in 2016 for \$60,000.

The NERAM Foundation supported NERAM with \$16,000 for its programs and activities.

NERAM Foundation and Trusts Investment Committee:

- Peter Lloyd (Chair)
- Andrew Murray
- Kathleen Steinhardt
- Malcolm Ross
- Martha Saw
- Elizabeth Spring
- Matt Meehan
- Robert Heather



William Oates, University Archivist, UNE with Julian Bickersteth, Managing Director, International Conservation Services

Project Grants

Project grants allow NERAM to the opportunity to develop special programs.

In 2015-16 funding was received from a number of sources including:

- \$3,000 from Regional Arts NSW Country Arts Support Program to assist with artist-in-residence project at Museum of Printing;
- \$60,000 from Arts NSW Regional Capital Program to assist with replacement exhibition lighting system;
- \$8660 from Commonwealth Government Community Heritage Grants Program to replace works on paper storage system;
- \$3,000 from University of New England for partnership in presenting Conservation Workshop and \$10,000 to present the **2016 UNE Schools Art Prize** exhibition;
- \$20,000 from Commonwealth Government Stronger Communities Program for the Adopt-an-Artwork program;
- \$13,200 travel grant from the Gordon Darling Foundation to support guest curator Peter Anderson to develop

- exhibition of Robert Jacks books at Printed Matter (New York) in 2016 and NERAM in 2017;
- \$72,178 from Commonwealth Government's Visions of Australia funding program for the tour of **The Art of Wool** exhibition from 2016-2018;
- \$750 from New England Mutual to construct a children's art cart;
- \$500 from ADFAS Armidale to support printmaking workshop with Back Track students.

Individual Giving

The ongoing success of NERAM owes much to the donations of many individuals across the community who make a contribution towards the cost of running the gallery. These range from the many people who put cash into our donations box (which raised \$21,839.75 in 2015-16), make a donation as part of their membership renewal each year as well as those people who make a large contribution to our special fundraising projects and initiatives.

In 2015-16 we had a number of special initiatives including:

- Adopt-an-Artwork which has raised \$170,000 towards conservation treatment of the collection;
- Light up NERAM which raised \$60,000 towards replacement LED exhibition lighting;
- 2016 Annual Appeal which raised:
 - o \$11,450 for solar panels
 - o \$4,200 towards the Conservation Fund
 - o \$16,496 for the NERAM Foundation.



Old incandescent light fittings replaced by energy efficient LED lights

THANK YOU

New England Regional Art Museum would like to thank all of our donors, supporters and sponsors whose assistance has made it possible for us to provide exhibitions, programs and artistic activities for our community.

Corporate Supporters & Sponsors



Bronze

Lou Abrahams
ADFAS Armidale
Margie Aggs
R.J. (Bob) Anderson & Glen Palmer
Michelle Arens & Eric Livingston
Armidale APEX Club
Armidale Framing & Art Supplies –
Gallery One Two Six
Helen Arthurson & Iain Davidson
June Atherton
Philip & Alison Attard
Jim & Mary Barber
Geoffrey & Ruth Barratt
Bergen Grazing Co
Shan Blomfield
Pat & Robyn Bradley
Rose Bransdon-Parkes
Shane & Karen Burns
Andrew & Sarah Carruthers
Clifton Legal
Neville & Jennifer Crew
Shirley Cooke
Suzanne H Coventry
Pattie Coventry
William Coventry
Lynoch Pty Ltd
Roger & Prim Cracknell
Michael Crouch AO & Shanny Crouch
Christoph Dejung
Pat & Peter Elkin
Tim Eustace

R L Franklin
Friends of the Teachers College
Jean Garrett
Stephen & Jane Gow
Paul Greenwood
Ron Harrigan
John Harris & Chris Reading
R.G. Hawksford
Joan Henley
Philipp Hess
Alison Hoddinott
Francois & Penelope Jaggi
John & Rosemary Johnson
Killen's Smash Repairs
Astrid Knirsch
Judith Laffan
Peter & Moira Lloyd
Carol Mackerras
Richard & Judith Makim
Minor Markle
John & Ann Maurer
Peter May
Barry & Lucy McCann
Thelma McCarthy AM
Chris Meares
Jennifer Miller
John & Caroline Mitchell
Moin & Associates
Dr Mark Morgan
Peter Morse
Sally Munro
New England Art Society
New England Travel Centre

Elizabeth Niven
Angus C Nivison
Phil Pamment
Richard & Beverley Passey
Merran Pearson
Eileen & Doug Price AM
Mary Quinn
Rosemary Randall
Roberts & Morrow
Roy & Nan Robertson
Graeme & Judith Robinson
Judith & Christopher Ross-Smith
Rebecca Schaefer
Timonee Schaeffer
Brian & Jeanne Seppelt
Jeremy Smith
Helen Stokes
Kim Taylor
W D Thorn
William Todd
Michael Toath
Malcolm & Elaine Treadgold
Peg & Ross Tully
Pip Warrick
Pamela Whalley
James & Anne White
Graham & Helen Wilson
Nicholas Wright
Martin Sandy
Anonymous

Valued

Poppy Abbott
Brian Abbott & Robin Proudford
Cathy Agius
Agricultural Research Business Institute
David Aickin
Megan L Aitken
Frances & Andrew Alter
Armidale First National Real Estate
Armidale Outdoors
Armidale Regency Motel
Armidale Retravision
Carmel Arthur
Patsy Asch & Bar Finch
Austbrokers NTIB
Barnier's Office Furniture
Elizabeth Barwick
Jenny Beattie
Gillian Belfield
Fred & Janet Bell
W M Berkeley
Bob Greenes Auto Repairs
Joan Boyd
Edgar & Beatrice Bradley
Dar Brookes
Anita & Trevor Brown
Kirsty Bryant
Gayle Burey
Felix Burhard
Barbara Burton
Burtons Saddlery
Nan Butcher
Peter Cameron Insurance Broker
Judith Carey
Carr's Newsxpress
Tim Catterall
Val Chubb/Mathieson
City Centre Motor Inn

Joan & Keith Clarke
Keith & Carolyn Cleland
Club Motel
Coffee Group
Lou Conway & Philip Wright
Terry Cooke
Carolyn Cooper
Michelle Cooper
Linley Cornish
M D Coventry
Charles & Dorianne Coventry
Terry Coventry
Joc Coventry & Mahalath Halperin
Bill & Lenore Crocker
Caroline Croft
Dangar Street Bridge Group
Antony & Barbara Deakin
Dewhurst Dental
Denise de Vries
Brian Dobbyn
Susan Donegan
Andrew Doran & Dianne Beatty
Prof Annabelle Duncan
Sarita Dutoit
Lanita Dutoit
Dymocks Armidale
Edwards Coaches
Sandra & Aubrey Egan
Elite Motor Inn
Annemieke English
Doreen Fay
Forsyths Accountants
Shirley Frazer
Elizabeth Fulloon
Funk Hair Body
Peter & Gai Galbraith
Jenny McKenzie
Peter & Susan Gerard
Eric Ghosh
Jane Gifford

Merle Goldsmith
Joyce Gow
Linda Greenleaf
Judith Grieve
Guyra Garden Club
Hannon's Mount View Pharmacy
Jane & Jeremy Nash
Elaine Harding
Julia Hardman
Carol Harris
Lisa Haynes
Robert Heather
Highlander Van Village
Christopher Hodges & Helen Eager
James & Belinda Hook
Tony Hoskin Plumbing
John & Margot Hoskins
Rosemary Howlett
David Hunt
Hutchinson & Harlow Real Estate
Robyn & Doug Jackson
Susan James & Malcolm McClintock
Ross Jenkins
Margaret Katz & Brian Cheetham
Knight's Store
Rosemary Leitch AM
Bob & Ann Lemcke
Warren Lobb
Jane Lober
Cat MacGregor & Bob Waugh
Graham MacKay
Tom Macwell
Magoffin & Deakin Pty Ltd
Sue Mann
Steve Marks
E McDonald
Katherine McLennan
P & A Miles
Mary Mills

Gold

Paul Barratt AO
Sam & Libby Beasley
Colleen & Peter Ducat
Susan Dunn
Roger & GERALYN Flower
Harry Geddes &
Ydeet Winter-Irving
James Harris
The Home Nursing Group
Pam Koebel
Malcolm & June Ross
Regional Australia Bank
Ann Sutherland
Anonymous
Anonymous

Silver

Armidale Air Conditioning
Barbara Beynon
Phillip Bookallil
Bruce & Kerry Chick
Brian & Priscilla Connor
Helen & Bill Dangar
Ian & Anthea Duncan
Michael & Gillian Dunlop
Murray & Joanne Guest
Amanda & Sebastian Hempel
June's Jewellery & Gems
Gorm Kirsch & Geoffrey Fox
Meg Larkin AM
Legal Minds
Keith & Robyn Power
W H & E M Southcott
The Dangar Group Pty Ltd
UNE Partnerships
Veterinary Health Research
Wesfarmers
Edward & Sally Wright

Your support makes a difference at NERAM.

The assistance of our Friends, Foundation, donors and supporters enables us to present exhibitions, educational and cultural activities, programs and events as well as provide a social and creative hub that inspires our whole community.

There are many ways in which you can support NERAM including:

- join the Friends of NERAM
- Adopt-an-Artwork or
- become a donor to the NERAM Foundation.

Every donation counts and your financial support will help us to provide you, your family and residents across the New England region with access to quality artistic experiences.

Please enquire with our staff to find out how you can make a donation to NERAM.



NERAM INFORMATION

NERAM is a not-for-profit Company Limited by Guarantee that is Trust manager for Hinton Trust, Chandler Coventry Trust and NERAM Foundation.

In the 2014 - 15 year NERAM Limited had 261 registered members.



Robert Heather, NERAM Director; Camilla White, ANZ Branch Manager; Adam Marshall MLA, Member for Northern Tablelands; Georgia Connelly, Touring Manager, AGNSW; Andrew Murray, Chair, NERAM.

Patrons:

The Hon Barnaby Joyce, MP,
Member for New England
Mr Adam Marshall, MP,
Member for Northern Tablelands
Dr Philip Bacon AM, Director, Philip Bacon Galleries
Barry Pearce AM, Emeritus Curator, Australian Art, Art
Gallery of New South Wales

Directors:

Andrew Murray – Chair
Stephen Gow - Deputy Chair
Carolyn Cooper – Treasurer/Company Secretary – until
May 2016
Sam Beasley
Lou Conway
Murray Guest
Peter Lloyd
Lucinda Wright
Sandra McMahon – until April 2016
Kathleen Steinhardt – Treasurer/Company Secretary-
from June 2016
Directors have been in office since the start of
the financial year to the date of this report unless
otherwise stated.

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.

- Collections Advisory Committee
- NERAM Foundation and Trusts Investment Committee
- 4C Committee – Independent Chair: Sam Beasley

Staff:



Philippa Charley-Briggs, NERAM Curator with Belinda Hanrahan, Director, and Carrie Kibbler, Curator Hazelhurst Regional Gallery & Arts Centre

Permanent

Art Museum Director – Robert Heather
(commenced September 2015)
Manager, Exhibitions and Curatorial – Rachael Parsons
(commenced July 2016)
Front-of-House Co-ordinator – Sarita Dutoit
(commenced July 2016)
Administration Officer – Tania Hollis (commenced June 2016)
Gallery Assistant – Wayne Koppel (commenced June 2016)
Casual Finance Officer – Meagan Playford
(commenced February 2016)
Registrar/Collections Management – Jennifer Butler
Deputy Director (Operations/Education) – Christine Durham
(until June 2016)
Curator – Philippa Charley-Briggs (until March 2016)
Development Officer – Tanya Robinson (until March 2016)
Museum Officer (Museum of Printing) – Benjamin Thorn
(until July 2016)
Finance Officer – Anne Rocniok (until December 2015)
Shop Manager – Sam Byrnes (until December 2015)

Contractors

Brent James: IT support
Sarita Dutoit (Shop Manager December 2015 – June 2016)

VOLUNTEERS

The Volunteer Program at NERAM provides essential support to all aspects of our operations – especially in supporting the installation of exhibitions and through providing assistance to our visitors and staff at the front desk. There are also volunteers who assist with library and archiving as well as a new group of volunteers who are now helping out with the Museum of Printing. The members of the Friends and Packsaddle Committees also volunteer to help with a range of events and activities.

In 2016 NERAM has implemented new processes for training and retaining volunteers as well as developing activities which will increase awareness of our volunteer program and providing them with opportunities to get involved in a range of other activities.

We would like to thank all of our volunteers for their work over the past twelve months.

- | | | |
|-----------------------|-------------------|-----------------------|
| Margie Aggs | Diana Perry | Barry McCann |
| Margaret Bain | Susie Spencer | Christine McClelland |
| Pamie Brazier-Hollins | Jack Bedson | Sam Meredith |
| Keith Clarke | Liz Fulloon | Sally Munro |
| Barbie Connah | Julia Rose | Robyn Power |
| Bill Crocker | Patsy Asch | Michelle Schouten |
| Lenore Crocker | Phillip Bookalil | Maryann Scott |
| Gillian Dunlop | Sally Cater | Angele Van Den Heuvel |
| Philip Gardner | Rosalind Clark | Frances Alter |
| Dacre King | Terry Cooke | Maira Lloyd |
| Joanne Knight | Bill Dangar | Lynne Walker |
| Shae Leske | Susan Donegan | Anne White |
| Graham McKay | Anthea Duncan | Alison Wright |
| Rose McCarthy | Pat Elkin | Kim Taylor |
| Sylvia Ransom | Annemieke English | |
| Anne Roczniok | Jill Fagan | |
| Eddie Schlogel | Bar Finch | |
| Jenny Walmsley | Stephen Gow | |
| Annie Worthing | Ady Hallam | |
| Tom Wright | Julia Hardman | |
| Rhonda Ellem | Alison Hoddinott | |
| Lou Goggin | Kris Jackson | |
| Lizzie Horne | Iain Jones | |
| Martin Levins | Pam Koebel | |
| Cat McGregor | Glenda | |
| Rita McInnes | Kupczyk-Romanczuk | |
| Beth O'Loughlin | Tony Marjoram | |



NERAM volunteers Pamie Brazier Hollins and Eddie Schlogel with Tania Hollis, NERAM Administration Officer

'Sustainable NERAM' will guide us as we move forwards to become a 21st century art museum.

SUPPORTERS

We also acknowledge the wonderful work of our support groups:

Friends of NERAM Committee:

- Martha Saw, Chair
- Lucinda Wright, Deputy Chair (until March 2016)
- Carol Mackerras, Deputy Chair (from March 2016)
- Ady Hallam, Secretary
- Rebecca Livings, Treasurer (until March 2016)
- Kim Taylor, Treasurer (from March 2016)
- Ro Randall, Committee Member
- Helen Templeton, Committee Member
- David Hallam, Committee Member
- Sally Hardaker, Committee Member
- Robert Heather, Associate Committee Member

Friends of NERAM Funraising and Catering Committee:

- Jill Fagan
- Ady Hallam
- Sally Hardaker
- Sarah Johnstone
- Moira Lloyd
- Graham MacKay
- Carol Mackerras
- Christine McLelland
- Rosemary Randall
- Martha Saw.
- Belinda Scott
- Lynne Walker (co-Chair)
- Helen Wilson
- Alison Wright

Packsaddle Committee:

- Moira Lloyd, Co-chair
- Glenda Kupczyk-Romanczuk, Co-chair
- Frances Alter
- Michelle Bookallil
- Pat Elkin
- Liz Fulloon
- Julia Rose
- Michelle Shouten
- Lynne Walker



Sculpture at NERAMble 2016

30th Packsaddle exhibition



APPENDIX 1:

Sustainable NERAM

Sustainable NERAM is a philosophy that will guide us as we move forwards to become a 21st century art museum. It is a set of guidelines and principles which will be backed up by actions over the next 3 years to improve our programs, relationships, collections and building.

These are:

Using our collections effectively

- Developing curated exhibitions that attract new audiences, highlight new research and create artistic connections;
- Longer lasting exhibition supported by educational, marketing and interpretative resources;
- National and local touring exhibitions to spread the word about NERAM;
- Bringing new works into the collections through targeted acquisitions and donations;
- Conservation and preservation programs to look after the collections.

Creating Community connections

- Create opportunities for us to interact with the community onsite and offsite;
- Attract new audiences and first-time visitors;
- Grow our volunteers and Friends of NERAM groups;
- Work across the whole region through exhibitions and other programs;
- Support educational and other activities through partnerships.

Supporting our team

- Sustainable staffing model;
- Improved facilities for volunteers and Friends;
- Professional development for staff;
- Increase the pool of volunteers through recruitment and training.

Planning for our future

- Building the NERAM Foundation;
- Collection conservation through the Adopt-an-Artwork program and building the Conservation Fund;
- Building partnerships with; local government, the education sector, businesses, government, funding bodies and philanthropic bodies.



Young Archie activity in Beardy Street Mall, 2015

Our artistic legacy

- Increasing audiences for NERAM exhibitions and programs;
- We present high quality touring exhibitions and develop exciting new projects;
- We create new opportunities for local artists and creatives;
- We become the 'must-see' tourism attraction in the New England region;
- We develop income streams from business operations, collection based merchandise, funding bodies and donations.

Improving our building

- Increase energy efficiencies through our Action Plan including reducing energy use, generate own power, increase efficiency;
- Better facilities including operational improvements and fixing ongoing building issues;
- Improved exhibition galleries and more flexible spaces;
- Demonstrating pride of place through maintenance, cleaning and repairs of site keep it safe, secure and appealing.

Financial Statements

year ended 30 June 2016



CONTENTS

FINANCIAL STATEMENTS

DIRECTORS' REPORT	27
AUDITOR'S INDEPENDENCE DECLARATION	31
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	32
STATEMENT OF FINANCIAL POSITION	33
STATEMENT OF CHANGES IN EQUITY	34
STATEMENT OF CASH FLOWS	35
NOTES TO THE FINANCIAL STATEMENTS	36
DIRECTORS' DECLARATION	53
INDEPENDENT AUDITOR'S REPORT	54

General Information

The financial statements cover New England Regional Art Museum Limited as a consolidated entity consisting of New England Regional Art Museum Limited and the entities it controlled at the end of, or during, the year. Each of the entities within the consolidated entity prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars, which is New England Regional Art Museum Limited's functional and presentation currency.

New England Regional Art Museum Limited is a not-for-profit unlisted company limited by guarantee, incorporated and domiciled in Australia. New England Regional Art Museum Limited is registered with the Australian Charities and Not-for-profits Commission. Its registered office and principal place of business is: 106-114 Kentucky Street Armidale NSW 2350

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29th November, 2016.

DIRECTORS' REPORT

For the Year Ended 30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of New England Regional Art Museum Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Information on directors

The following persons were directors of New England Regional Art Museum Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Murray	(Chair)
Stephen Gow	(Deputy Chair)
Carolyn Cooper	(Treasurer/Secretary - Resigned May 2016)
Lancelot Lloyd	
Malcolm Beasley	
Mary-Louise Conway	
Sandra McMahon	(Resigned April 2016)
Lucinda Wright	
Murray Guest	

Kathleen Steinhardt attended the April board meeting as an observer and commenced as Treasurer/Secretary in July 2016.

Carly McLaren attended June board meeting as observer and commenced as Director in September 2016.

Principal activities

During the year, the principal activity of the consolidated entity was 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.

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

Short term objectives

The Consolidated Entity's short term objectives are to provide a well-resourced cultural centre that embraces dialogue, interaction and learning; that encourages the exploration and discovery of our outstanding collections; and that connects our community and its visitors with art.

Long term objectives

The Consolidated Entity's long term objective is to make the New England Regional Art Museum the premier regional art museum in Australia.

Strategy for achieving the objectives

Ensure that the New England Regional Art Museum is a thriving artistic facility that will enrich the cultural and artistic experience of visitors and the community of New England through education, artistic activities and the preservation and promotion of its iconic collections.

How principal activities assisted in achieving the objectives

New England Regional Art Museum Limited, (NERAM), is exploring and pursuing opportunities that develop community connected and community created content, partnering with regional organisations to integrate arts and cultural activities in community life. It aims to engage more culturally diverse and youth audiences; taking advantage of online, social and digital pathways for greater access.

DIRECTORS' REPORT

For the Year Ended 30 June 2016

Strategic exhibition planning is engaging past and new audiences with exhibitions which have a strong focus on local and regional stories, from regional artists to our own unique collections. NERAM plans to continue this strategic alignment to generate a high buy-in from the community. New and dynamic initiatives include participatory and interactive events and exhibitions which are attracting a younger and more diverse audience. Social media and digital technologies are also delivering new avenues of connecting to audiences in innovative ways and which provide numerous opportunities to raise NERAM's profile. This, in turn, assists the Art Museum in presenting itself as an attractive partner organisation and a magnet for more diverse funding opportunities.

NERAM is developing a range of creative initiatives that are significant in addressing and highlighting the role the arts can play in the increasing issues of health and wellbeing in the context of an ageing population. NERAM is at the forefront of establishing links between local Aged Care facilities, community organisations and youth through its innovative intergenerational projects. NERAM's art and health programs will continue to expand, which foster arts participation, enhance quality of life, and improve community wellbeing.

NERAM, known for its outstanding collections and innovative programming, is a significant arts centre through its work with local and regional community groups and through partnership arrangements with corporate, social and cultural organisations. Our committed and creative staff is well supported by dedicated volunteers and a strong community support base. NERAM is optimistic and committed to achieving success and growth for the future, continuing to play a significant and enthusiastic role in the cultural life of Armidale and the New England region.

Performance measures

The following Critical Success Factors and Key Performance Measures (KPIs) are used by the consolidated entity to monitor performance:

CSF1: Sustainable and fiscally responsible business practices

Consists of the following strategic objectives:

- Diversify our funding and income opportunities
- Ensure that the building is sustainable, energy efficient, functional, aesthetically pleasing and well maintained.

CSF2: Building and strengthening NERAM community relationships and partnerships

Consists of the following strategic objectives:

- Strengthen all groups (Friends of NERAM, Packsaddle, NERAM Foundation and Board) with a shared vision and purpose and improve consultation and communication

CSF3: An ability to develop innovative and engaging programs for the whole community

Consists of the following strategic objectives:

- Continue to increase visitation and participation in NERAM activities (exhibitions, events, projects and education programs) through community participation and audience development.
- Market and strengthen the Permanent Collections as a resource for the whole community
- Build NERAM's profile, and develop strong identity and message

CSF4: A skilled and quality workforce

Consists of the following strategic objectives:

- Review and support NERAM's staffing structure and closely monitor overtime and workload issues
- Maintain a strong volunteer program with emphasis on training and effective use of skills.

Members guarantee

New England Regional Art Museum Limited is incorporated under the Corporations Act and is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10. At 30 June 2016 the collective liability of members was \$ 2,610 (2015: \$ 3,960).

DIRECTORS' REPORT

For the Year Ended 30 June 2016

Information on directors

Andrew Murray	Chair
Qualifications	Business Advisor and Investor
Experience	The Armidale School Board 14yrs to 2011- former Chair (10 Years) The Armidale School Foundation - Director Phoenix Foundary Pty Ltd - Chair Phoenix Bronze Resources LLC USA - Director Exhibition Centre Pty Ltd - Director
Stephen Gow	Deputy Chair
Qualifications	Previous Director - Sustainable Planning and Living at Armidale Dumaresq Council
Experience	Fellow of Planning Institute of Australia (Retired) Board Member of local sustainability organisation Starfish Initiatives Treasurer - Australian Decorative and Fine Arts Society
Carolyn Cooper	Treasurer/Company Secretary
Qualifications	Chief Operating Officer - Roberts and Morrow Chartered Accountants
Experience	Member - Chartered Accountants Australia and New Zealand Member - CPA Previous Senior Director Australian National Audit Office - 7 years Armidale Dumaresq Council Audit Committee
Lancelot Lloyd	Director, Chair NERAM Foundation
Qualifications	Past Chairman -Friend of NERAM
Experience	Deputy Chairman - Australian Tourism Export Council Ltd (ATEC) Board Member - Armidale Diosecan Investment Group Past Chairman - Australian Travel Agents Cooperative Former ADC to Governor of NSW Sir Roden Cutler
Sandra McMahon	Director; Chair Collections Advisory Committee
Qualifications	Director & co-owner - WESWAL Gallery Tamworth
Experience	Previously Director Tamworth Regional Gallery and Manager Tamworth Powerstation Museum Previously 15 years experience in numerous regional galleries as curator and public programs Previous painting and drawing teacher at various TAFEs
Malcolm Beasley	Director
Qualifications	Managing Director - Beasley Consulting Pty Ltd
Experience	Management and Strategic Planning Consultant Founder, Chair & Managing Director - FMRC Legal Pty Ltd Fellow Certified Practicing Accountant (Ret)
Mary-Louise Conway	Director
Qualifications	UNE Business School Academic
Experience	Member of the European Group for Organisational Structure Past Board Member - Armidale Business Chamber

DIRECTORS' REPORT

For the Year Ended 30 June 2016

Lucinda Wright Director
Qualifications Migration Consultant - Legal Minds
Experience Previous Department of Foreign Affairs and Trade with overseas postings in Spain and Latin America
Processing Officer for Department of Immigration and Citizenship
Previous migration agent for Pricewaterhouse Coopers
Previous Member - Migration Review Tribunal (8 years)

Murray Guest Director
Qualifications Headmaster - The Armidale School July 1998
Experience Member - Australian College of Education
Member - Australian College of Educational Leaders

Meetings of directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Andrew Murray	10	10
Stephen Gow	10	9
Carolyn Cooper	9	7
Lancelot Lloyd	10	8
Malcolm Beasley	10	10
Mary-Louise Conway	10	8
Sandra McMahon	9	6
Lucinda Wright	10	8
Murray Guest	10	6

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commissions Act 2012* for the year ended 30 June 2016 has been received and can be found on page 5 of the financial report.

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

Director:
Andrew Murray

Director:
Kathleen Steinhardt

Dated this 29th day of November 2016.

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commissions Act 2012 to the Directors of New England Regional Art Museum Limited and Controlled Entities



I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commissions Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Lawler Warburtons Audit & Assurance Pty Ltd

Margaret van Aanholt
Director

28 November 2016

Tamworth NSW 2340

PKF Lawler Warburtons
Audit & Assurance Pty Ltd
ABN 39 082 276 506
Registered Auditor No:306435

Tamworth
22 – 24 Bourke Street
Tamworth NSW 2340
PO Box 1900 Tamworth

Liability limited by a scheme approved
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name. PKF International Limited is not responsible for the acts or omissions of individual member firms of the network. For office locations visit www.pkf.com.au

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Revenue	4	235,660	252,438
Cost of sales		(116,761)	(91,683)
Donations	4	1,486,842	72,956
Grant income	4	570,635	703,108
Other Income	4	127,531	73,055
Employee benefit expenses	5	(392,411)	(330,977)
Depreciation	5	(38,017)	(27,743)
Finance expense	5	(4,923)	(54,696)
Occupancy expense		(163,314)	(135,394)
Collection expense		(50,279)	(53,288)
Public Program expense		(74,815)	(33,764)
Administration expense		(72,709)	(50,379)
Marketing and Promotions expense		(25,106)	(11,742)
Project grant expense		(16,562)	(52,481)
Board expense		(2,160)	(3,086)
Shop expense		(24,837)	(1,833)
Other expenses		(1,681)	(5,648)
Deaccessioned artwork		(4,244)	-
Profit from operations		1,432,849	248,843
Decrement on revaluation		(681,697)	(2,170,971)
Profit before tax		751,152	(1,922,128)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		174,902	(78,833)
Items that will be reclassified to profit or loss when specific conditions are met			
Net fair value movements for available-for-sale financial assets		(107,208)	(33,866)
Other comprehensive income for the year, net of tax		67,694	(112,699)
Total comprehensive income for the year		818,846	(2,034,827)

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2016

		2016	2015
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	500,660	397,788
Trade and other receivables	7	128,868	182,051
Inventories	8	28,237	54,140
Prepayments	9	28,713	18,939
TOTAL CURRENT ASSETS		686,478	652,918
NON-CURRENT ASSETS			
Property, plant and equipment	10	26,355,001	25,365,581
Financial assets	11	566,547	602,987
TOTAL NON-CURRENT ASSETS		26,921,548	25,968,568
TOTAL ASSETS		27,608,026	26,621,486
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	178,562	80,179
Short-term provisions	13	11,823	20,805
Other liabilities	14	482,807	325,834
TOTAL CURRENT LIABILITIES		673,192	426,818
NON-CURRENT LIABILITIES			
Long-term provisions	13	538	-
Other liabilities	14	-	79,216
TOTAL NON-CURRENT LIABILITIES		538	79,216
TOTAL LIABILITIES		673,730	506,034
NET ASSETS		26,934,296	26,115,452
EQUITY			
Yellow Room Appeal	15	6,818	6,818
Revaluation Surplus	15	509,306	334,404
Retained earnings		26,418,172	25,774,229
Total equity attributable to equity holders of the Company		26,934,296	26,115,451
TOTAL EQUITY		26,934,296	26,115,451

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Note	Retained Earnings \$	Yellow Room Appeal \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2015		25,774,228	6,818	334,404	26,115,450
Comprehensive Income					
Profit for the year		751,152	-	-	751,152
Other comprehensive income for the year					
Net fair value loss on available for sale financial assets		(107,208)	-	-	(107,208)
Movement in revaluation of Collections	10(a)	-	-	174,902	174,902
30 June 2016		26,418,172	6,818	509,306	26,934,296

2015

	Note	Retained Earnings \$	Yellow Room Appeal \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2014		27,730,225	6,818	413,237	28,150,280
Comprehensive Income					
Profit for the year		(1,922,131)	-	-	(1,922,131)
Other Comprehensive Income					
Net fair value loss on available for sale financial assets		(33,866)	-	-	(33,866)
Gain/(Loss) on revaluation of Collections		-	-	(78,833)	(78,833)
Balance at 30 June 2015		25,774,228	6,818	334,404	26,115,450

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,122,581	1,033,203
Payments to suppliers and employees		(849,991)	(883,057)
Dividends received		47,572	28,636
Interest received		6,044	8,268
Net cash provided by/(used in) operating activities	23	326,206	187,050
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		-	129,591
Purchase of property, plant and equipment		(152,566)	(334,785)
Payment of subsidiary, net of cash acquired		-	(151,663)
Purchase of financial assets		(70,768)	105,039
Net cash used by investing activities		(223,334)	(251,818)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		102,872	(64,768)
Cash and cash equivalents at beginning of year		397,788	462,556
Cash and cash equivalents at end of financial year	6	500,660	397,788

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2016

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Comparatives are consistent unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. New England Regional Art Museum Limited and the entities it controlled are referred to in these financial statements as the 'consolidated entity'. The controlled entities are:

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

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purposes of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cashflows where the accounting policies used by that entity are different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the consolidated entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(a) Revenue and other income continued

Grant revenue continued

statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

New England Regional Art Museum Limited and controlled entities receive non-reciprocal contributions of assets from the government and other parties of zero 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 recognised in profit or loss.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Donations and contributions

Donations and bequests are recognised as revenue when received. Contributions to the Collection are recognised as revenue when the entity obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the entity, and the amount of the contribution can be measured reliably. Contributions are measured at their fair value.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Fundraising

Events, fundraising and raffles are recognised when received or receivable.

Other income

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

(b) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the consolidated entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

The consolidated entities' financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- available-for-sale financial assets.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Consolidated Entity's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Consolidated Entity's available-for-sale financial assets comprise listed securities.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

Financial Assets continued

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income. Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss. Losses recognised in the prior period consolidated statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss

Available for sale assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment of Financial Assets

At the end of the reporting period the consolidated entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. Impairment on loans and receivables is reduced through the use of an allowance accounts. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the consolidated entity uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Consolidated Entity's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued
(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost at he date of acquisition.

(g) Property, plant and equipment

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

Collection Assets

Collection assets (including artworks) are carried at fair value based on independent and Director's valuations, and in line with the company valuation policy. The increases in the value of these assets are recorded in the asset revaluation reserve. Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost basis, and are carried at cost less any accumulated depreciation and any impairment losses. In the event. Historical cost includes expenditure that is directly attributable to the acquisition of the items. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its recoverable e amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

Plant and equipment, is depreciated on a straight-line basis over the assets useful life to the consolidated entity, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	5-40%
Furniture, Fixtures and Fittings	5-25%
Motor Vehicles	12.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(i) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Valuation of Collection Assets

The collection assets are valued in line with the NERAM Valuation and Stocktaking Policy. The policy provides for the revaluation of the Collection to be undertaken by an independent qualified valuer in line with the set valuation schedule which staggers valuations over a 5 year cycle. The collection assets are categorised as follows:

Category A - artworks valued over \$250,000;

Category B - artworks valued between \$10,000 and \$250,000; and

Catgeory C - artowrks valued under \$10,000

Category A and B artworks are formally valued by an independent valuer every 5 years per the schedule, Category C artworks are re-valued by the Directors every 5 years, and during the 5 year interval all collections are globally revalued at 2% every year, subject to an assessment by the Board of Directors.

The collection's assets were independently valued by Matt Henry Art Broker (Category A Artwork was revalued in October 2012, Category B was revalued in December 2014 and in June 2016). The valuation was based on the market value of pieces based on observable market information.The critical assumptions adopted in determining the valuation included the assessment of recent actions and the significance and quality of the work.

At 30 June 2016, the directors have reviewed the key assumptions adopted by the valuer, and do not believe there has been a change in assumptions. Directors acknowledge that due to the difficulty in valuing all collections in one financial period, not all artworks are valued at market value, particularly the Category C artworks, and note that this methodology is inconsistent with the requirements of the Australian Accounting Standards, in particular AASB 13 *Fair Value Measurement*.

Notes to the Financial Statements

For the Year Ended 30 June 2016

3 Critical Accounting Estimates and Judgments continued

Key estimates - Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

4 Revenue and Other Income

	2016	2015
	\$	\$
Operating activities		
- Shop sales	86,352	69,344
- Collection Income	1,565	10,145
- Public Programmes and exhibitions	117,986	98,639
- Consignment sales	29,757	25,289
	235,660	203,417
Donations	1,486,842	72,956
Revenue from grants		
- Armidale Dumaresq Council	322,117	314,568
- Arts NSW	30,000	45,000
- Margaret Olley Trust	112,885	80,082
- Art of Wool, Australia Council	35,311	-
- Community Heritage	8,660	-
- Capital grants	-	250,000
- UNESAP	4,895	7,889
- Department of Justice	50,000	-
- Regional Arts NSW	3,000	2,100
- Other organisations	3,766	3,469
	570,634	703,108
Other revenue		
- Interest received	6,044	8,268
- Dividends and franking credits	45,207	44,112
- Member subscriptions	13,327	13,249
- Fundraising	28,160	(1,520)
- Sundry Income	25,156	8,946
- Insurance recoveries	9,637	-
	127,531	73,055
Total Revenue	2,420,667	1,052,536
	2016	2015
	\$	\$
Other Income		
- Gain on disposal of property, plant and equipment	-	49,021
Total Revenue and Other Income	2,420,667	1,101,557

Notes to the Financial Statements

For the Year Ended 30 June 2016

5 Result for the Year

The result for the year includes the following specific expenses:

	2016	2015
	\$	\$
Finance Costs		
Finance expense	4,923	54,696
Other expenses:		
Audit fees	7,500	5,190
Bad and doubtful debts	(1,359)	5,293
Net loss on disposal of property, plant and equipment	4,244	-
Rent	10,000	11,413
Electricity	76,276	65,177
Depreciation expenses	38,017	27,743
Employee benefits expenses		
Salary and wages	310,952	251,928
Superannuation contributions	26,891	28,260
Other employment expenses	54,568	50,789
Total employee benefits expense	392,411	330,977

6 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	250	250
Bank balances	500,410	397,538
	500,660	397,788

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	500,660	397,788
Balance as per statement of cash flows	500,660	397,788

Notes to the Financial Statements

For the Year Ended 30 June 2016

7 Trade and Other Receivables

	2016	2015
	\$	\$
CURRENT		
Trade and other receivables	106,234	168,689
Provision for impairment	(902)	(5,782)
	105,332	162,907
Sundry debtors	23,536	19,144
Total current trade and other receivables	128,868	182,051

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

	2016	2015
	\$	\$
CURRENT		
At cost:		
Stock on hand - NERAM Shop	20,750	35,020
Stock on hand - Art stock	7,487	19,120
	28,237	54,140

9 Other Assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	28,713	18,939
	28,713	18,939

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment

At cost	538,260	536,462
Accumulated depreciation	(178,850)	(142,229)

Total plant and equipment	359,410	394,233
---------------------------	---------	---------

Furniture, fixtures and fittings

At cost	164,018	28,692
Accumulated depreciation	(5,177)	(3,988)

Total furniture, fixtures and fittings	158,841	24,704
--	---------	--------

Motor vehicles

At cost	15,441	-
Accumulated depreciation	(206)	-

Total motor vehicles	15,235	-
----------------------	--------	---

COLLECTION ASSETS

NERAM Collection at fair value	2,829,277	2,578,030
--------------------------------	-----------	-----------

Museum of Printing collection at fair value	238,640	234,169
---	---------	---------

Hinton Collection at fair value	20,888,487	20,233,178
---------------------------------	------------	------------

Coventry collection at fair value	1,865,111	1,901,267
-----------------------------------	-----------	-----------

	26,355,001	25,365,581
--	------------	------------

(a) Movements in carrying amounts of property, plant and equipment

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

	Collection Assets	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Consolidated					
Year ended 30 June 2016					
Balance at the beginning of year	24,946,644	394,233	24,704	-	25,365,581
Additions	1,385,910	1,798	135,326	15,442	1,538,476
Disposals/deaccessioned	(4,244)	-	-	-	(4,244)
Depreciation expense	-	(36,622)	(1,188)	(207)	(38,017)
Revaluation increase recognised in equity	174,902	-	-	-	174,902
Revaluation increase recognised in profit and loss	(681,697)	-	-	-	(681,697)
Balance at the end of the year	25,821,515	359,409	158,842	15,235	26,355,001

Notes to the Financial Statements

For the Year Ended 30 June 2016

11 Financial assets

	2016	2015
	\$	\$
NON-CURRENT		
Available for sale financial assets	566,547	602,987
	566,547	602,987

12 Trade and Other Payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	87,476	24,418
GST payable	2,286	31,505
Accrued expenses	74,578	10,433
Other payables	14,222	13,823
	178,562	80,179

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Provision for employee entitlements

	2016	2015
	\$	\$
CURRENT		
Annual Leave	9,333	20,805
Long Service Leave	2,490	-
	11,823	20,805
	2016	2015
	\$	\$
NON-CURRENT		
Long Service Leave	538	-
	538	-

14 Other Liabilities

	2016	2015
	\$	\$
CURRENT		
Armidale Regional Council Loan	152,473	67,020
Unspent grant funds	210,872	178,285
Income received in advance	119,462	80,529
	482,807	325,834

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Other Liabilities continued

	2016	2015
	\$	\$
NON-CURRENT		
Armidale Regional Council Loan	-	79,216
	-	79,216

Following an Ordinary Council Meeting of the Armidale Regional Council on 29th June 2016, the debt of \$152,473 to the Armidale Regional Council will be waived to an amount of \$100,000 contingent upon the consolidated entity making payments towards this debt to the amount of \$52,473. The debt of \$52,473 was subsequently settled in August 2016 and the balance of the debt has been forgiven.

15 Reserves

Revaluation surplus

The asset revaluation reserve records the revaluation of non-current assets., Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

Yellow Room

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

	2016	2015
	\$	\$
Revaluation surplus		
Opening balance	334,404	413,237
Movement in revaluation	174,902	(78,833)
	509,306	334,404
Yellow Room Appeal Reserve		
Opening balance	6,818	6,818
	6,818	6,818
Total	516,124	341,222

16 Capital and Leasing Commitments

Operating Leases

Operating leases have been have been taken out for the rental of the premises occupied by the Gallery.

Notes to the Financial Statements

For the Year Ended 30 June 2016

17 Financial Risk Management

The Consolidated Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and accounts payable.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables. Refer to Note 20 for the fair value measurement of the consolidated entity's financial assets and liabilities.

18 Key Management Personnel Disclosures

One key management personnel exists but non-compliance with AASB 124 has been chosen as not to breach the confidentiality of the Company.

19 Fair Value Measurement

The Consolidated Entity measures the Collections at fair value on a recurring basis:

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the consolidated entity:

	Level 1	Level 3	Total
	\$	\$	\$
30 June 2016			
Recurring fair value measurements			
Collection	-	25,821,515	25,821,515
Shares in listed companies	566,547	-	566,547
	566,547	25,821,515	26,388,062
30 June 2015			
Recurring fair value measurements			
Collection	-	24,946,644	24,946,644
Shares in listed companies	602,987	-	602,987
	602,987	24,946,644	25,549,631

Notes to the Financial Statements

For the Year Ended 30 June 2016

20 Auditors' Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor of the consolidated entity, PKF Lawler Warburtons Audit & Assurance Pty Ltd for:		
- auditing the financial statements	5,950	4,000
- assistance with preparation of the financial statements	4,500	3,500
	<u>10,450</u>	<u>7,500</u>

21 Contingencies

Contingent Assets

Following an Ordinary Council Meeting of the Armidale Regional Council on 29th June 2016, the consolidated entity's debt of \$152,473 to the Armidale Dumaresq Council recorded in the statement of financial position will be waived to an amount of \$100,000 contingent upon the consolidated entity making payments towards this debt to the amount of \$52,473.

The consolidated entity did not have any contingent liabilities at 30 June 2016 (30 June 2015:None).

22 Related Parties

(a) The Consolidated Entity's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Notes to the Financial Statements

For the Year Ended 30 June 2016

22 Related Parties continued

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no trade receivables from or trade receivables to related parties at the current and reporting period. There were no loans to or from related parties at the current and previous reporting date.

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	\$	\$
Profit for the year	751,152	(1,922,131)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- artwork donations at fair value	(1,385,910)	-
- depreciation	38,017	27,743
- (gain)/loss on revaluation of property, plant and equipment through profit and loss	681,697	2,170,971
- (gain)/loss on disposals/deaccessioning of property, plant and equipment	4,244	(49,521)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	53,181	(164,912)
- (increase)/decrease in prepayments	(9,774)	10,738
- (increase)/decrease in inventories	25,903	(3,514)
- increase/(decrease) in trade and other payables	176,140	116,173
- increase/(decrease) in provisions	(8,444)	1,503
Cashflow from operations	<u>326,206</u>	<u>187,050</u>

24 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company 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 meeting any outstandings and obligations of the Company. At 30 June 2016 the number of members was 2,610 (2015: 3,960).

Notes to the Financial Statements

For the Year Ended 30 June 2016

25 Economic Dependency

New England Regional Art Museum Limited is economically dependent on the Armidale Dumaresq Council under a twenty year funding agreement. At the date of this report, the Board of Directors has no reason to believe the Armidale Dumaresq Council will not continue to support New England Regional Art Museum Limited, and accordingly, the financial statements have been prepared on a going concern basis.

26 Events after the end of the Reporting Period

The financial report was authorised for issue on 29 November 2016 by the Board of Directors.

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

27 Parent entity

The following information has been extracted from the books and records of the parent, New England Regional Art Museum Limited, and has been prepared in accordance with Accounting Standards.

	2016	2015
	\$	\$
Statement of Financial Position		
Assets		
Current assets	620,785	595,856
Non-current assets	3,601,403	3,231,136
Total Assets	4,222,188	3,826,992
Liabilities		
Current liabilities	688,960	440,589
Non-current liabilities	538	79,216
Total Liabilities	689,498	519,805
Equity		
Retained earnings	3,016,564	2,965,964
Yellow Room Appeal Reserve	6,818	6,818
Asset realisation reserve	509,307	334,404
Total Equity	3,532,689	3,307,186
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	50,600	232,691
Other comprehensive income	174,902	(78,833)
Total comprehensive income	225,502	153,858

Directors' Declaration

The directors declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Andrew Murray

Director

Kathleen Steinhardt

Dated this 29th day of November 2016



Report on the Financial Report

We have audited the accompanying financial report of New England Regional Art Museum Limited and Controlled Entities, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity and its controlled entities.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

PKF Lawler Warburtons
Audit & Assurance Pty Ltd
ABN 39 082 276 506
Registered Auditor No:306435

Tamworth
22 – 24 Bourke Street
Tamworth NSW 2340
PO Box 1900 Tamworth

Liability limited by a scheme approved
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name. PKF International Limited is not responsible for the acts or omissions of individual member firms of the network. For office locations visit www.pkf.com.au



Opinion

In our opinion the financial report of New England Regional Art Museum Limited and Controlled Entities has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Emphasis of Matter

Without modifying our opinion, We draw attention to Note 3 to the financial statements, "Key Estimates - Valuation of Collection Assets". Note 3 acknowledges a departure from Australian AASB 13 *Fair Value Measurement*. As the total collections have not been valued in accordance with AASB 13 *Fair Value Measurement*, material uncertainty exists as to the fair value measurement of the Collection Assets.

We draw attention to note 18 in the financial statements "Key Management Personnel Disclosures". One key management personnel exists but non-compliance with AASB 124 *Related Party Disclosures* has been chosen not to breach the confidentiality of the entity. Our opinion is not modified in respect of this matter.

PKF Lawler Warburtons Audit & Assurance Pty Ltd

Margaret van Aanholt
Director

Tamworth, NSW

Dated this 30th day of November, 2016

PKF Lawler Warburtons
Audit & Assurance Pty Ltd
ABN 39 082 276 506
Registered Auditor No:306435

Tamworth
22 – 24 Bourke Street
Tamworth NSW 2340
PO Box 1900 Tamworth

Liability limited by a scheme approved
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name. PKF International Limited is not responsible for the acts or omissions of individual member firms of the network. For office locations visit www.pkf.com.au



Artists Jonathon Larsen and Basil Hall at printmaking workshop

106 - 114 Kentucky St Armidale NSW 2350

facebook.com/neram.art

twitter: @neram_art

02 6772 5255

ABN 47 131 297 731

neram.com.au



Armidale
Regional Council



Arts
NSW