



New England Regional Art Museum Ltd

Annual Report 2011-2012

www.neram.com.au

NERAM
NEW ENGLAND REGIONAL ART MUSEUM

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FINANCIAL REPORT 2011-2012

Annual Report 2012

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2012

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

Vice Patrons:

Tony Windsor MP, Member for New England

Richard Torbay MP, Member for Northern Tablelands, Chancellor University of New England

Barry Pearce AM, Emeritus Curator, Australian Art, Art Gallery of New South Wales

Directors:

Meg Larkin, MBA (UNE) – *Chair*

Andrew Murray, BA (UNE) – *Deputy Chair*

Chris Serow, BA (UNSW), LLB (UNE), MLLR (Syd) – *Company Secretary*

Mark Smith, B Fin. Admin. & Dip Ag Econ (UNE) FCA, FTIA, MAICD, JP – *Treasurer* (to Nov 2011)

Carolyn Cooper, BFA (UNE) CA- *Treasurer* (from Nov 2011)

Bill Dangar

Antony Deakin, OAM, B. Arch. FRAIA

Murray Guest, BA (Syd) Dip Ed Syd), M Comm (UNSW)

Ross Laurie (from Nov 2011)

Brigitte Leece, M. Art Admin. B.Art Theory (UNSW)

Peter Lloyd BA (UNE) AREI, JP, Graduate- Australian Defence Force- Officer Training Unit

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

Staff:

Permanent

Director – Caroline Downer, M.A. (Hons), B.A. (Hons) B.Mus. (Hons), P.Grad.Dip.Arts (Melb)

Deputy Director (Operations/Education) - Christine Durham, MCultHeritage (Deakin), B.A. (Charles Sturt), G.Dip.Mus.Studies (Deakin), Dip.Visual Arts (New England Institute TAFE)

Curator – Philippa Charley-Briggs, B.A./Dip.Ed. (UNE), G.Dip. Mus.Studies (Hons) (Syd), Cert.Drawing & Printmaking (East Sydney Tech)

Projects Officer - Jonathon Larsen, Dip.Vis.Com. (QCA) (to April 2012)

Marketing Officer – Jane Gifford, B.A. (Syd) (from Feb 2012)

Museum Officer (Museum of Printing) – Benjamin Thorn, PhD. B.A. (Hons) Dip.Ed. (Syd)

Shop Manager - Alice Forrest, Bachelor of Design Studies, (University of Queensland) (to Feb 2012)

Shop Manager – Sarita Dutoit (from Feb 2012)

Contractors:

Hayley Clark: Financial book-keeper

Hayley Ward: Marketing and Promotion (to Dec 2011)

Chair's Report

I am pleased to present NERAM Limited's Annual Report for 2011-2012. The Report follows the format of the main objectives of NERAM Limited's Strategic Plan 2010-2020 and notes some of the major achievements for the year.

NERAM continued to perform very well during 2011-2012. Attendances continued to grow and the number of public programs and activities increased. In summary, attendances reached 35,150, compared to 31,474 in the previous year, representing a further 12% increase. Similarly there was an increase in the number of people attending public programs with 10,945 people in 2011-12 compared to 9,310 in 2010-2011.

The Exhibitions and Public Programs continued to have a diversity of subject matter and art forms and to be designed to attract people of all ages and skills. Exhibitions were curated from the Museum's own superb collections in addition to a number of touring exhibitions from other galleries and some excellent displays of art by our own regional artists.

Our program of art classes continued throughout the year with art teachers experiencing full classes and great activity. A major event in the Museum's public program was a highly successful family day named "The Great Art Play Day" which attracted 200 people, many of whom were young children. Considering people at the other end of their lives, and sponsored by the Home Nursing Group, NERAM conducted a program entitled "Remembering with Art", a program specifically designed for people living with dementia and their carers.

Our foremost highlight of the year has been the instigation of a new major project by Packsaddle. In March 2012 members of Packsaddle approached the Board with a proposal to enter into an agreement with the Margaret Olley Trust and the Margaret Olley Estate to purchase a major work by Margaret Olley entitled *The Yellow Room Triptych*. This excellent work was considered by Olley to be one of her finest. She wished for the work to be in a public gallery, and specified that it should be purchased, rather than donated, as this could be seen as devaluing the work.

Packsaddle had become aware of this work in their investigations of possible suitable works to purchase for NERAM's collections with funds they had raised. In their preliminary discussions with Margaret Olley's executors and trustees a proposal was developed for NERAM to purchase this important work and for the Estate and the Trust to support NERAM by donating another important

work by Olley entitled *Basket of Oranges, Lemons and Jug* to the collection and by providing funding for a full time staff position in the Museum for the next five years.

Because the purchase price of *The Yellow Room Triptych* was too great for Packsaddle to raise alone, it was agreed that Packsaddle, The Friends of NERAM, the NERAM Foundation and the Board would combine to raise the necessary funds and that a committee with an independent chair would be appointed to manage the fund raising. This Committee was appointed under the chairmanship of local businessman Sam Beasley, and commenced its work by launching The Yellow Room Fundraising Appeal at the NERAM Foundation dinner on 23 June 2012. The Committee has set itself the task of raising the funds within two years.

Because of the importance of the painting, the Board has resolved that it will be added to the Hinton Collection.

I take this opportunity to express my gratitude to



Margaret Olley, *The Yellow Room Triptych*, 2011

Packsaddle for their initiative in introducing the project, their initial founding contribution and ongoing commitment, the Friends of NERAM for taking up the challenge and devoting future fundraising to the project, the NERAM Foundation for allocating the majority of their fundraising to the project. I am particularly grateful to Sam Beasley for leading the committee and to the Armidale and New England community for their willingness to contribute and support the purchase of *The Yellow Room Triptych*.

The staff at NERAM have had another very full and productive year. Museum Director Caroline Downer and her team have achieved excellent results in their provision of an enticing and diverse range of activities. I am again impressed by the prudent management of NERAM's resources, balanced by the enthusiasm of the staff to exhibit NERAM's wonderful collections and to provide the community with access to and participation in an enticing program. I thank Caroline and her team for their ongoing professionalism and great work.

NERAM could not manage without its volunteers. This wonderful band of 75 volunteers have assisted in many ways, in reception and the shop, assistance with hanging exhibitions, behind the scenes in the office and archives. I thank all the volunteers most sincerely for their ongoing dedication and generous gift of time, commitment and expertise.

Packsaddle held their major and very successful selling exhibition in October 2011 and, as noted above, dedicated the income towards the purchase of *The Yellow Room Triptych*. Packsaddle's initiative and commitment to NERAM is extraordinary and over many years has

contributed mightily to the NERAM collections. Their contribution is acknowledged with gratitude.

Under the leadership of Lynne Walker, the Friends of NERAM gave enormous support to NERAM throughout the year through their energetic program of fundraising events and participation in the Museums exhibition openings and events. The Friends sponsored a major exhibition and its associated public programs and the "Goldilocks Grand Day Out" – a special day linking art and story telling for children.

At our Annual General Meeting in November 2011, Chris Serow, Murray Guest, Ross Laurie and I had completed our initial terms and stood for re-election. All were re-elected. Mark Smith stood down, and did not seek re-election. Carolyn Cooper was appointed to the Board.

To all Directors I offer my sincere gratitude and thanks. I appreciate the expertise and time you commit to NERAM to contribute to its good management, its growth and development. 2011-2012 has been another year of solid achievement and progress for this great cultural institution.

Meg Larkin
Chair



NERAM Limited - Strategic Objectives

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

OBJECTIVE 1: A Model of Good Governance: Ensure that all governance, legal and financial requirements for NERAM Limited are fulfilled in a professional and timely manner.

OBJECTIVE 2: Harnessing Resources: Mobilise financial and human resources through advocacy, fundraising, income generation, sponsorship and formal and informal partnerships.

OBJECTIVE 3: Managing for Sustainability: Ensure policies and systems are in place to provide an efficient and effective foundation for current and future operations.

OBJECTIVE 4: Fostering Best Practice in Collections Management: Develop models of practice that ensure collection conservation, foster professional skills, increase community understanding, enhance audience access and enrich visitors' cultural experience through innovative exhibition and program development.

OBJECTIVE 5: Programming a Dynamic Regional Cultural Hub: Plan and deliver a memorable experience within, as well as around NERAM in the Armidale cultural precinct.

OBJECTIVE 6: Marketing and Building Audiences: Extend NERAM's audience through innovative and effective marketing.

Objective 1. A Model of Good Governance

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

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

MEETINGS AND BOARD ACTIVITIES

The Board met eleven times during the year.

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.

- Audit, Risk Management and Building Committee - Chair: Carolyn Cooper
- Fundraising and Marketing Committee – Chair: Bill Dangar
- Art Management Committee – Chair: Ross Laurie
- NERAM Foundation Advisory Committee – Chair: Andrew Murray
- Hinton Trust Advisory Committee – Chair: Ross Laurie
- Coventry Trust Advisory Committee – Chair: Ross Laurie

MEMBERSHIP

NERAM Limited was established in July 2008 with 9 members, being the members of the initial Board of Directors appointed by Armidale Dumaesq Council. In January 2010, in association with the Friends of NERAM, the membership was opened to members of the community. Members of the Friends of NERAM were invited to become members of NERAM Limited. Membership, by application, was also opened to people who did not wish to join the Friends of NERAM Inc. In the 2011/2012 year NERAM Limited had 297 registered members

HINTON TRUST

The Board resolved to purchase *The Yellow Room Triptych*, by Margaret Olley and to add it to the Hinton Collection. A fundraising appeal was launched in June 2012 for the purchase of this work. It is anticipated that the purchase will be completed within two years (by June 2014).

Digitisation of the Hinton Collection, commenced in 2010-2011, was completed during the year.

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

CHANDLER COVENTRY TRUST

Digitisation of the Coventry Collection, commenced in 2010-2011, was completed during the year.

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





Meg Larkin, Ron Radford, Caroline Downer and Andrew Murray at the NERAM Foundation Dinner 11 July 2011

NERAM FOUNDATION

The NERAM Foundation, under the guidance of the NERAM Foundation Advisory Committee and the Board continued to raise and invest funds for the future development and support of NERAM. The Foundation Advisory Committee has invested the funds in Australian Equities and Interest Bearing Accounts according to the guidelines. Equity investments have been timed quite well in a period of turbulent markets and this will become more apparent as markets recover over time.

Two annual Fundraising Dinners hosted by the Foundation Advisory Committee, were held. The first, which would normally have been held in 2010-2011 financial year was

held on 11 July 2011 to accommodate the availability of Guest Speaker, Ron Radford AM.

The 2011-2012 Fundraising Dinner was held at NERAM on 23 June 2012. The fundraising appeal for *The Yellow Room Triptych* was launched at this dinner. 80% of the proceeds from the dinner were allocated to the Yellow Room Appeal.

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



Ron Radford at the NERAM Foundation Dinner 11 July 2011



Philip Bacon with Packsaddlers Moira Lloyd and Pat Elkin at the NERAM Foundation Dinner 23 June 2012

A number of people made individual donations to the Foundation. NERAM acknowledges the following donors to the NERAM Foundation in 2011-2012

Anonymous donor	Enna P Pty Ltd	Andrew & Alex Murray
M.L. Abrahams	Mrs W.H. Fayle	Jane Nash
Mr J Appleton & Dr W. Beck	Elizabeth Fulloon	Mrs Sue Nivison
Ms H Arthursen	Harry Geddes	R.F. & B.I. Passey
June Atherton	Barbara Giblin	Dr & Mrs K Power
Dr Astrid Knirsch	Mrs D Gray	Doug & Eileen Price
Barbara Beynon	Mr R Hawksford	Mary Quinn
S.G. Blomfield	Ms S James	Mareah Rhodes-White
Phillip Bookallil	Mr & Mrs J Johnson	Robertson Grazing
Ms D. Brookes	K.S. Jones	Brian & Jeanne Seppelt
Dr & Mrs B Chick	Mrs M Katz	W.H. & E.M. Southcott
Mr & Mrs K Clarke	Pam Koebel	David & Kerry Stellar
Brian & Priscilla Connor	Ms M Larkin	Em. Prof. R.H. Stokes
Shirley Cooke	Mr & Mrs R Makim	Mr. W. Todd
Mr & Mrs R Cracknell	John & Ann Maurer	Lynne Walker & Richard Bird
Helen & Bill Dangar	Rose McCarthy	A. Williams
June Dangar	Jennifer Miller	Mr. J Williams
Christoph Dejung	Minto Dental Practice	Ms M Willick
Ian & Anthea Duncan	Doug Moffatt	Mr & Mrs G Wilson
Susan Dunn	Morgan Family	Edward and Sally Wright
Peter & Pat Elkin	Mrs S Munro	Mrs M Wright

REGISTERED OFFICE

The Registered Office of NERAM Limited is Legal Minds,
PO Box 991, Armidale 2350

Objective 2. Harnessing Resources

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

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

FINANCIAL STRUCTURE

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

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

OPERATIONAL FUNDING

Armidale Dumaresq Council Grant – The principal source of funding for NERAM’s operations derived from our Service Agreement with Armidale Dumaresq Council which provided \$289,285.54. This recurrent funding provides for basic operations of the Museum. Additional funding was sourced from the organisations listed below.

Arts NSW – A grant of \$40,000 to assist with the annual program of activities and events, and a further \$31,500 for Capital Infrastructure

Regional Arts NSW (CASP) – for a storytelling/art project – Goldilocks in the Gallery

Gordon Darling Foundation – \$15,000 for a digitisation of the Howard Hinton and Chandler Coventry Collections

Besen Family Foundation - \$5000 for a preschool project – ARTplay.

Federal Government (Cultural Heritage Grant) – \$8,500 for a Preservation Needs Assessment of the Howard Hinton and Chandler Coventry Collections

SPONSORSHIP AND DONATIONS - ORGANISATIONS

The Friends of NERAM (FON) were particularly supportive of the Art Museum during the year.

The Friends sponsored two major events for the Museum – the exhibition and associated public programs for *Blue Mud Bay* and the Goldilocks Grand Day Out, a special day linking art and storytelling for children.

The Packsaddle Fundraisers held their annual selling exhibition in October 2011. The Packsaddle Committee initiated the acquisition of the major work *The Yellow Room Triptych* by Margaret Olley. They donated an initial \$55,000 to the fundraising campaign, with a further \$45,000 pledged over the next 2 years.



Packsaddle and Philip Bacon presenting their cheque to The Yellow Room Appeal

CORPORATE SPONSORS

NERAM was grateful to receive donations from a number of companies to support the operations of the Museum. These included:

- Armidale First National Real Estate
Armidale Framing & Art Supplies - Gallery 126
Armidale Retravision
Austbrokers NTIB
Cedar Lodge Motel
Dental Minto
Ducats
Hannon’s Mount View Pharmacy
James & Belinda Hook
Hutchinson & Harlow Real Estate
Killen’s Smash Repairs
- Magoffin & Deakin Pty Ltd
New England Travel
Piddington’s
Qantaslink
Roger Flower
Roberts & Morrow
Royal Hotel
Tony Hoskin Plumbing
The Home Nursing Group
Universal Fire Services

The Armidale School (TAS) provided assistance with necessary maintenance to ensure that the gallery spaces are presented professionally.

The UNE Printery provided the Museum with a discount on the printing of invitations for all exhibitions.

Legal Minds generously provided the Museum with pro-bono legal services during the year



MUSEUM SHOP

A new Shop Manager was appointed in February 2012. The Museum Shop continued to show improvement in sales as well as an increase in variety of stock – quality art and craft, books, items for children, jewellery, stationery and cards.

THE CAFÉ

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



Objective 3. Managing for Sustainability

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

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

STAFF

There were minor changes to staffing in 2011/12 with a Marketing Officer appointed in February 2012 to replace the Projects Officer.

STAFF DEVELOPMENT

Caroline Downer attended the Switched On Digital Strategy Seminars organised by the Armidale Chamber of Commerce. She presented a talk at the Regional Public Galleries NSW Conference at Port Macquarie and also attended the Community Heritage Grant Awards Ceremony and Preservation Workshop in Canberra.

Christine Durham attended a number of talks with the NBN Geek-in-Residence Program (funded by the Australia Council) and also the New England Dementia Forum in Tamworth.



Colleen Ducat, Consul General of the Socialist Republic of Vietnam, Mr Mai Phuoc Dzung, Mayor Peter Ducat, Caroline Downer

VOLUNTEERS

In the past year, there have been over 2,900 volunteer hours worked in the organisation. There are 75 volunteers, listed below, who are the life-blood of the art museum, and work in all areas of the gallery – from exhibition installation, administration and filing to front desk reception and the Museum shop.

Margie Aggs	Annemieke English	Marilyn Miller
Patsy Asch	Bar Finch	Sally Munro
Margaret Bain	Liz Fulloon	Diana Pape
Pamela Barber	Alice Gaywood	Dick Passey
Daja Baxter	Barbie Giblin	Tom Penrose
Behrokh Beheshtaeen	Jean Gossip	Dinny Perry
Pamie Brazier-Hollins	Diana Gray	Robyn Power
Tom Brazier-Hollins	Kerry Gulliver	Rachel Prior
Samantha Brose van Groenou	Rosalie Hall	Sylvia Ransom
Jennifer Butler	Kathleen Hannan	Anne Roczniok
Sally Cater	Alison Hoddinott	Julia Rose
Ros Clark	Kris Jackson	Eileen Sanders
Keith Clarke	Louise Jesser	Joe Sartori
Lesley Coffey	Dacre King	Michelle Schouten
Barbie Connah	Joanne Knight	Maryann Scott
Bill Crocker	Pam Koebel	Sylvia Sotheran
Lenore Crocker	Ann Lemcke	Roselli Stanley
Rose Cutts	Bob Lemcke	Alex Taylor
Bill Dangar	Graham MacKay	Ermias Teweldemedhin
Helen Dangar	Tony Marjoram	Helen Thomas
Sue Donegan	Barry McCann	Angela Thomas
Anthea Duncan	Lucy McCann	Judi Ward
Gillian Dunlop	Rose McCarthy	Hayley Ward
Pat Elkin	Katherine McLennan	Kate Woodland-Smith
June Endacott	Lorenne Michel	



Dick Passey and Moira Lloyd, Friends of NERAM Bar

POLICIES

The following policies were ratified by the Board in 2011/2012: These policies may be viewed on the NERAM Website www.neram.com.au

- Valuation and Stocktaking Policy
- NERAM Ltd Board - Code of Conduct Policy
- NERAM Ltd Board - Conflict of Interest Policy
- NERAM Ltd Board - Board Member Duty Statements



Volunteer Morning Tea with Philip Bacon June 2012

OBJECTIVE 4 Fostering Best Practice in Collections Management

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

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

DIGITISATION:

All works from the Howard Hinton and Chandler Coventry Collections have now been professionally photographed. Work is currently in progress to put the Collections on-line.

PRESERVATION NEEDS ASSESSMENT:

Work began on a Preservation Needs Assessment on the Howard Hinton and Chandler Coventry Collections with David Stein, Painting Conservator and Jennifer Butler, Paper Conservator. This is the first step in developing a Conservation Management Plan for these collections.

ACQUISITIONS:

The New England Regional Art Museum acquired 3 works of art in the year through individual donors. All met the requirements of the Art Museum's Collections Policy.

A pencil sketch *The Rainbow* by Michael Taylor was donated by Martin Gascoigne. The drawing specifically relates to the painting *Great Dividing Range* which is held in the Chandler Coventry Collection.

Basket of Oranges, Lemons and Jug by Margaret Olley was donated by the Margaret Olley Estate.



Margaret Olley, *Basket of Oranges, Lemons and a Jug*, 1968

DEACCESSIONING:

In 2011/12, 9 works were sold from the NERAM collection.

- James Gleeson, *Study for The onset of a troubled season*
- James Gleeson, *Study for Deposits in the stream of time*
- James Gleeson, *Study for A neo-patmos experience*
- James Gleeson, *Study for Tomorrow morning*
- Victor Majzner, *April Sydney*
- Victor Majzner, *Lodz Ceremony*
- Andrew Sibley, *The Sandpit*
- John Firth-Smith, *Find*
- Phillip Wolfhagen, *Fifth Illusory Field*

LOANS:

The following works were loaned to other institutions in 2011/12

Campbelltown Arts Centre	David Fairbairn	Portrait of Victoria Hahn
Queensland Art Gallery	E. Phillips Fox	A market in the desert
		St Mark's Venice
Goulburn Regional Art Gallery	Ben Quilty	Budgie after Budgie after Streeton
Maitland Regional Art Gallery	Euan Macleod	Joe
		Geoffrey Legge
		Richard Larter
Mornington Peninsular Regional Gallery	John Llewellyn Jones	Beach near Cheltenham, Victoria
Campbelltown Arts Centre	David Fairbairn	Portrait of Victoria Hahn
Australian National Maritime Museum	Kenneth Macqueen	The Beach Fisherman
Mornington Peninsular Regional Gallery	John Llewellyn Jones	Beach near Cheltenham, Victoria
NGA	Sydney Long	Pont y Garth, North Wales
		Sydney Harbour View
		Oatley Bay, Georges River
		The shepherdess
		Summer pastoral
		Street scene, Alexandria

RENTALS

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

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

MUSEUM OF PRINTING

The Museum of Printing continued its operations throughout 2011-2012. This included maintaining and expanding the permanent display of large equipment and also presenting several temporary exhibitions. The oral history project continued to produce fascinating material.

MoP was open on Thursdays and Fridays from 10:30am to 3:30pm from July till January and on Fridays only from February to June due to Benjamin Thorn’s other work commitments. It was also open by appointment.

Oral History Project
MOP received another \$500 grant from the Royal Australian Historical Society. About eight interviews were conducted and transcribed including: Brian Kelly, Brian Tomalin, David Lynch, Derek MacRae, Fred Hawkesley, Laurie Mossuto, Leo Whitty, Peter McKenzie.

Material from the oral history project formed the basis of a monthly column in ProPrint called Print’s Past which started in February.

Temporary Exhibitions
The Cabinet of Typographic Monstrosities continued to be on display.

“Taking the Biscuit” a display of biscuit ads which included material from UNE and Regional Archives was installed in September associated with History Week. It continued on display until January.

“Ticket to Ride” a display of tickets related to transport was installed in January.

Fred Hawkesley’s 1960s graphic designer’s desk has been on display since January.

Other Exhibitions
The small exhibitions “On the Radio” in the Armidale Express Office and “The Health Risks of a Cinderella” in the Folk Museum continued.

New acquisitions
Fred Hawkesley donated the tools and materials of a 1960s graphic designer. Greg Grace donated several books, David Lynch some posters showing antique 3 printing processes (now on display), and Albert Wynter some Gestetner equipment.

Other activities
Information and materials were provided to several requests for information from people outside Armidale including Botany Council and a researcher in Melbourne.

MoP was open as part of Goldilocks Day and allowed a number of children to create printed collages and images.

Visitors
We had over 480 visitors in the year. This included groups from Martin’s Gully School, TAFE (x2), Kentucky School, Uralla HACC, TAS, and Probus. Comments in the Visitor’s Book were overwhelmingly positive.

Objective 5. Programming a Dynamic Regional Cultural Hub

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

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

EXHIBITIONS

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

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

Iconic, curated by Caroline Downer, Director NERAM

Black: From the Coventry and NERAM Collections, curated by Philippa Charley-Briggs, Curator

Fashionable Hinton curated by Caroline Downer, Director NERAM

1000 words, selected by writers in the New England and curated by Philippa Charley-Briggs, Curator

Seasonal Fare: From the Permanent Collections, curated by Caroline Downer, Director NERAM

Hinton’s Grand Tour curated by Caroline Downer, Director NERAM

Cross-Hatching and Shading curated by Philippa Charley-Briggs, Curator

Norman Lindsay: A Brush of Colour curated by Philippa Charley-Briggs, Curator

Guest Exhibitions

The following major touring exhibitions were hosted by NERAM in 2011/2012.

Museum of Contemporary Art: Almanac

From Blue Mud Bay to Central Australia

Madeleine Winch: Come by Chance

Martin Mischkulnig and Tim Winton: Smalltown

Community Exhibitions

Packsaddle held its annual fundraising exhibition in October 2011

A continuing partnership with the University of New England, resulted in the UNE School Art Prize, **Let’s Hang it!**





Margaret Brooks, Bali Project



Adventures in Art, Packsaddle Studio

Featured Artists

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

John Caldwell and James Rogers

Ross Laurie and David McBride

Lin Quaife and Michelle Schouten: Glint

Mike Riley

Pat Elkin: Sometimes Birds Fly In

Matt Pilkington

Julia Griffin: Walking Larapinta

Nigel Killalea: Drift

Margaret Brook and Christine McMillan: Draw

Margaret Brook and Christine McMillan: Bali Project

Fay Porter: A Green World

David Bromley

Tim Barnsley: chup anh

Laurie Mossuto: Time Line

Stephen King: Against the Grain



University of New England Art Prize Judge Ross Laurie with winner of Infants Category Charlotte Dew

PUBLIC PROGRAMS/EDUCATION

2011/12 saw an 18% increase to NERAM's educational and public programs with 10,945 visitors. 17 different schools from around the region attended educational tours as well as students from TAFE New England and the University of New England (from early childhood, theatre, and education disciplines). An educational newsletter, ART SMART was distributed to all schools in the region.

A major new initiative was THE GREAT ARTPLAY DAY. Held on Sunday, 30 October 2011 this was a day of fabulous art activities including edible art for families. Over 200 locals enjoyed a range of creative activities for all ages and collaborate with local artists.

This year was also the first UNE Creative Communities Artist-in-Residence where we partnered with the University of New England. Clare McFadden, Kevin Burgemeestre and Tristan Banks all gave workshops for children and adults at NERAM.

In conjunction with St Peter's Preschool and Dr. Margaret Brooks from the School of Education at UNE, NERAM developed a pioneering model for an Early Childhood educational program for Museums and Galleries. ARTplay – Children and Ideas was funded by the Besen Family Foundation and comprised art-making conducted by professional artists, several guided visits to NERAM, and culminated in a special exhibition (and opening) of the children's artwork.



Minimbah School Visir

In July 2011 NERAM introduced a fortnightly program, Remembering with Art that offers an interactive tour of artworks by a small group of people who are living with dementia. Each session is designed to connect participants through personal insights, interpretations and memories using art as the trigger. This highly successful program was sponsored by The Home Nursing Group.

Natalja Brunovs was NERAM's first digital artist-in-residence who assisted in a number of digital projects at NERAM.

Public Programs included concerts, exhibition openings, ARTnexus (local artist networking event), artist and curator talks (Madeleine Winch, John Caldwell and Ross Laurie), artist workshops (including John Caldwell, Michael Snape and Basil Hall), School Holiday workshops and a forum on the Art of Collecting, partnering with ABC radio New England/North West.

Art Classes were held in the Packsaddle Art Studio underneath NERAM and included Adventures in Art (After school classes with Del Burnett), and drawing, painting and print-making adult classes during term.



Art of Collecting Forum



The Great ARTPLay Day

Objective 6: Marketing and Building Audiences

Extend NERAM's audience through innovative and effective marketing.

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

VISITATION

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

Visitors reached 35,150 in this financial year, a 12% increase since last year.

MARKETING

Marketing was a focus in 2011 and 2012 with the development of a marketing plan and a rebranding of the organisation. The previous logo lacked visual strength and rendered poorly when reproduced in signage, digital/ video/online media, in particular, and also in numerous print media situations, such as when it needed to be scaled to a small size, or reproduced over an image. A new logo was developed and, with assistance from a brand specialist was implemented with a Style Guide in May 2012.

MEDIA

Newspapers and radio

Press releases were distributed to the local media weekly including Armidale Independent, Armidale Express, Northern Daily Leader and Focus Magazine Armidale. Various articles appeared in Sun Herald, Sydney Morning Herald and Open Road NRMA focussing on NERAM as a tourist destination.

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

Enews

Our e-newsletter was redeveloped with the new brand and now has a consistent standard. It is distributed fortnightly.

Website

The major development in 2011-2012 was the launch of NERAM's new website. Armidale is a first release site for the NBN, and it is vital for the gallery to harness the capacity of the NBN to significantly increase access to our collections and to our programs. It was essential that NERAM develop a website that was integral to the organisation, that was easily updated by staff during the working week and which had a fresh and up-to-date tone, with greater interaction with our visitors.

Social media

With the launch of the new website in May 2012, it was possible to integrate social media into the marketing mix. NERAM now has a Facebook and twitter presence. Posts to these sites focus on showcasing NERAM's substantial assets and offer a meaningful glimpse into what goes on in the galleries and behind the scenes and how visitors interact with the art museum. It is an opportunity for our audiences to not only experience, discover and explore a regional art gallery by learning and interacting with artworks in the collections in exciting and creative ways but to also collaborate, share, and converse with a wide range of people beyond the physical space

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NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2012

Principal Activities

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

Meetings of Directors

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

	Directors' Meetings	
	Eligible to attend	Number attended
M Larkin	10	9
A Murray	10	7
A Dangar	10	10
A Deakin	10	9
B Uren-Leece	10	7
P Lloyd	10	7
C Serow	10	9
M Smith	5	4
R Laurie	9	8
M Guest	10	7
C Cooper	5	4

Membership Details

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

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Ordinary members	297	\$ 10	\$ 2,970
Total	297	\$ 10	\$ 2,970

Auditors' Independence Declaration

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

Signed in accordance with a resolution of the Board of Directors



Director



Director

Dated: 26 October 2012



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

ABN 47 131 297 731

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2012 there have been:

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

WHK Camerons Audit Services

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

Dated: 29 October 2012

Armidale
90 Rusden Street
Armidale, NSW 2350

PO Box 660
Armidale, NSW 2350

T 02 6776 5100
F 02 6772 9492

Coffs Harbour
107 West High Street
Coffs Harbour, NSW 2450

PO Box 8
Coffs Harbour, NSW 2450

T 02 6653 0850
F 02 6651 4301

Grafton
24 Queen Street
Grafton, NSW 2460

PO Box 13
Grafton, NSW 2460

T 02 6640 9200
F 02 6642 7993

Lismore
53 Carrington Street
Lismore, NSW 2480

PO Box 523
Lismore, NSW 2480

T 02 6627 3500
F 02 6621 9385

northernsw@whk.com.au
www.whk.com.au

WHK Camerons Audit Services Partnership
91 680 058 554

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated		Parent	
		2012	2011	2012	2011
		\$	\$	\$	\$
Sales revenue	2	236,443	177,884	236,388	177,884
Cost of goods sold		(99,144)	(67,128)	(99,144)	(67,128)
Gross profit		137,299	110,756	137,244	110,756
Other revenue	2	803,246	605,003	599,102	454,987
Total revenue		940,545	715,759	736,346	565,743
Staff expenses		(268,593)	(264,049)	(268,593)	(264,049)
Depreciation expense	3	(26,629)	(25,904)	(26,629)	(25,904)
Finance costs	3	(2,190)	(14,633)	(2,190)	(14,633)
Occupancy expenses		(161,944)	(157,977)	(132,911)	(113,256)
Collection expenses		(8,852)	(9,082)	(8,852)	(9,082)
Public program expenses		(33,088)	(24,728)	(33,088)	(24,728)
Administration expenses		(20,561)	(14,571)	(19,823)	(12,447)
Marketing and promotion expenses		(22,116)	(11,955)	(15,405)	(10,955)
Project grant expenditure		(21,509)	(669)	(21,513)	(669)
General expenses		(35,495)	(40,249)	(35,493)	(40,249)
Shop expenses		(715)	(1,421)	(715)	(1,421)
Board expenses		(8,206)	(10,988)	(8,206)	(10,988)
Profit before income tax		330,647	139,533	162,928	22,729
Income tax expense	1(a)	-	-	-	-
Profit after income tax		330,647	139,533	162,928	22,729
Other comprehensive income					
Net gain on revaluation of Art Collections		1,000	512,052	-	512,052
Recognition of the yellow room	1(o)	(125,375)	-	(125,375)	-
Unrealised gain/(loss) on available for sale asset		(9,627)	(2,431)	-	-
Other comprehensive income for the year, net of tax		(134,002)	509,621	(125,375)	512,052
Total comprehensive profit for the year		\$ 196,645	\$ 649,154	\$ 37,553	\$ 534,781
Total comprehensive income attributable to members of the entity		\$ 196,645	\$ 649,154	\$ 37,553	\$ 534,781

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

		Consolidated		Parent	
	Note	2012 \$	2011 \$	2012 \$	2011 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	728,714	344,718	384,999	98,471
Trade and other receivables	5	23,154	15,651	15,776	6,945
Inventories	6	52,690	27,572	52,690	27,572
Other current assets	9	27,857	23,964	6,078	6,859
TOTAL CURRENT ASSETS		832,415	411,905	459,543	139,847
NON CURRENT ASSETS					
Financial assets	7	158,082	110,963	-	-
Property, plant and equipment	8	41,420,642	41,476,475	3,081,072	3,137,905
TOTAL NON CURRENT ASSETS		41,578,724	41,587,438	3,081,072	3,137,905
TOTAL ASSETS		42,411,139	41,999,343	3,540,615	3,277,752
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	75,778	67,347	86,016	67,426
Provisions	11	14,348	16,974	14,348	16,974
Other liabilities	12	165,780	42,000	165,780	42,000
TOTAL CURRENT LIABILITIES		255,906	126,321	266,144	126,400
NON CURRENT LIABILITIES					
Other liabilities	12	198,875	238,684	198,875	238,684
TOTAL NON CURRENT LIABILITIES		198,875	238,684	198,875	238,684
TOTAL LIABILITIES		454,781	365,005	465,019	365,084
NET ASSETS		\$41,956,358	\$41,634,338	\$ 3,075,596	\$ 2,912,668
EQUITY					
Reserves	13	512,052	512,052	512,052	512,052
Yellow room appeal		125,375	-	125,375	-
Retained earnings		41,318,931	41,122,286	2,438,169	2,400,616
TOTAL EQUITY		\$41,956,358	\$41,634,338	\$ 3,075,596	\$ 2,912,668

The accompanying notes form part of these financial statements.
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NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Yellow Room Appeal \$	Reserves \$	Retained Earnings \$	Total \$
Parent				
Balance at 1 July 2010	-	-	2,377,887	2,377,887
Profit after income tax	-	-	22,729	22,729
Total other comprehensive income for the year	-	-	-	-
Transfers to/(from) reserves	-	512,052	-	512,052
Balance at 30 June 2011	\$ -	\$ 512,052	\$ 2,400,616	\$ 2,912,668
Profit after income tax	-	-	162,928	162,928
Total other comprehensive income for the year	-	-	(125,375)	(125,375)
Transfers to/(from) reserves	125,375	-	-	125,375
Balance at 30 June 2012	125,375	\$ 512,052	\$ 2,438,169	\$ 3,075,596
Consolidated				
Balance at 1 July 2010	-	-	40,985,184	40,985,184
Profit after income tax	-	-	139,533	139,533
Total other comprehensive income for the year	-	-	(2,431)	(2,431)
Transfers to/(from) reserves	-	512,052	-	512,052
Balance at 30 June 2011	\$ -	\$ 512,052	\$ 41,122,286	\$41,634,338
Profit after income tax	-	-	330,647	330,647
Total other comprehensive income for the year	-	-	(134,002)	(134,002)
Transfers to/(from) reserves	125,375	-	-	125,375
Balance at 30 June 2012	\$ 125,375	\$ 512,052	\$ 41,318,931	\$41,956,358

The accompanying notes form part of these financial statements.
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NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated		Parent	
	Note	2012	2011	2012	2011
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		1,099,371	891,674	904,654	779,264
Payments to suppliers and employees		(714,251)	(591,241)	(654,308)	(698,365)
Interest received		14,595	11,011	3,785	3,577
Net cash provided by (used in) operating activities		399,715	311,444	254,131	84,476
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(47,118)	(35,776)	-	-
Proceeds from sale of artwork, plant and equipment		36,332	30,204	36,332	30,204
Purchase of property, plant and equipment		(7,123)	(79,631)	(6,125)	(79,631)
Net cash (used in) provided by investing activities		(17,909)	(85,203)	30,207	(49,427)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		2,190	(84,813)	2,190	(84,810)
Net cash (used in) provided by financing activities		2,190	(84,813)	2,190	(84,810)
Net increase (decrease) in cash held		383,996	141,428	286,528	(49,761)
Cash at the beginning of the financial year		\$ 344,718	203,290	98,471	148,232
Cash at the end of the financial year	4	\$ 728,714	\$ 344,718	\$ 384,999	\$ 98,471

The accompanying notes form part of these financial statements.
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NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

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

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

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

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

The financial statements were authorised for issue on 17 October 2012 by the directors of the company.

Accounting Policies

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

(a) Income Tax

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

(b) Inventories

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

(c) Property, Plant and Equipment

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

Collection Assets (Hinton, Coventry and Museum of Printing)

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

Plant and Equipment

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

Note 1: Statement of Significant Accounting Policies

(c) Property, Plant and Equipment continued

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

Depreciation

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

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

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

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

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

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

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

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

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

Note 1: Statement of Significant Accounting Policies

(d) Financial Instruments Continued

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Financial liabilities

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

Impairment

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

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

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

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

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

Note 1: Statement of Significant Accounting Policies**(d) Financial Instruments Continued****Derecognition**

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

(e) Impairment of Assets

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

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

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

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Long service leave is accrued after an employee reaches five years of service. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

(g) Provisions

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

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

(h) Cash and Cash Equivalents

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

(i) Revenue

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

Grant revenue is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

Note 1: Statement of Significant Accounting Policies**(i) Revenue Continued**

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

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

(j) Trade and Other Payables

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

(k) Goods and Services Tax

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

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

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

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

Key estimates — Impairment

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

(n) Basis of Consolidation

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

(o) Reserve - Yellow Room

Collection Margaret Olley's The Yellow Room Triptych 2007. The Yellow Room Reserve records funds received to date for the acquisition.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 2: Revenue				
Operating activities:				
Shop sales	117,742	60,954	117,687	60,954
Collections income	1,460	12,665	1,460	12,665
Public programmes income	117,241	104,265	117,241	104,265
Total revenue from operating activities	236,443	177,884	236,388	177,884
Non-operating activities:				
Museums and Galleries NSW grant	-	4,584	-	4,584
Newcastle Permanent funding	-	4,545	-	4,545
Arts NSW	71,500	20,000	71,500	20,000
Armidaale Dumaresq Council funding	389,284	381,406	289,284	281,406
UNESAP funding	5,000	5,000	5,000	5,000
Gordon Darling project	15,000	-	15,000	-
Regional Arts NSW - CASP funding	3,390	1,800	3,390	1,800
Besen family foundation	5,000	-	5,000	-
Royal Historical society	500	-	500	-
Community heritage funding	8,500	-	8,500	-
Yellow room appeal	125,375	-	125,375	-
Interest received	14,595	11,011	3,785	2,577
Fundraising and sponsorship	55,731	31,682	21,794	31,682
Donations	67,024	107,224	29,356	86,013
Dividend income	9,979	20,371	-	-
Membership income	14,144	12,992	14,144	12,992
Conservation funds - Coventry Collection	11,750	-	-	-
Other income	6,474	4,388	6,474	4,388
Total revenue from non-operating activities	803,246	605,003	599,102	454,987
Total revenue	\$ 1,039,689	\$ 782,887	\$ 835,490	\$ 632,871
Note 3: Profit for the Year				
Depreciation expense	\$ 26,629	\$ 25,904	\$ 26,629	\$ 25,904
Finance costs	\$ 2,190	\$ 14,633	\$ 2,190	\$ 14,633
Note 4: Cash and Cash Equivalents				
Cash on hand	250	250	250	250
Cash at bank	728,464	344,458	384,749	98,221
Other cash and cash equivalents	-	10	-	-
	728,714	\$ 344,718	\$ 384,999	\$ 98,471
(a) Reconciliation of cash and cash equivalents				
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:				
Cash and cash equivalents	728,714	344,718	384,999	98,471
	\$ 728,714	\$ 344,718	\$ 384,999	\$ 98,471

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 5: Trade and Other Receivables				
CURRENT				
Trade receivables	16,425	7,445	16,425	7,445
Less: Provision for impairment	(649)	(500)	(649)	(500)
	15,776	6,945	15,776	6,945
Other receivables	7,378	8,706	-	-
	\$ 23,154	\$ 15,651	\$ 15,776	\$ 6,945
Note 6: Inventories				
CURRENT				
Stock on Hand, at cost:				
Art stock	19,120	19,120	19,120	19,120
NERAM shop inventory	33,570	8,452	33,570	8,452
	\$ 52,690	\$ 27,572	\$ 52,690	\$ 27,572
Note 7: Financial assets				
Available-for-sale financial assets	158,082	110,963	-	-
Non -current portion	\$ 158,082	\$ 110,963	\$ -	\$ -
(a) Available-for-sale financial assets comprise:				
- shares in listed corporations, at fair value	\$ 158,082	\$ 110,963	\$ -	\$ -
Note 8: Property, Plant & Equipment				
Plant and Equipment				
Plant and equipment	193,167	188,918	193,167	188,918
Less: Accumulated depreciation	(70,096)	(45,305)	(70,096)	(45,305)
	123,071	143,613	123,071	143,613
Motor vehicle	17,500	17,500	17,500	17,500
Less: Accumulated depreciation	(12,500)	(10,000)	(12,500)	(10,000)
	5,000	7,500	5,000	7,500
NERAM collection (at fair value)	2,727,385	2,763,085	2,727,385	2,763,085
	2,727,385	2,763,085	2,727,385	2,763,085
Museum of Printing Collection (at fair value)	225,616	223,707	225,616	223,707
	225,616	223,707	225,616	223,707

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 8: Property, Plant & Equipment Continued				
Hinton Collection (at fair value)	<u>35,450,770</u>	<u>35,449,770</u>	<u>-</u>	<u>-</u>
	<u>35,450,770</u>	<u>35,449,770</u>	<u>-</u>	<u>-</u>
Coventry Collection (at fair value)	<u>2,888,800</u>	<u>2,888,800</u>	<u>-</u>	<u>-</u>
	<u>2,888,800</u>	<u>2,888,800</u>	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>\$41,420,642</u>	<u>\$41,476,475</u>	<u>\$ 3,081,072</u>	<u>\$ 3,137,905</u>
(a) Movements in carrying amounts				
Parent Entity				
	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	2,986,792	7,500	143,613	3,137,905
Additions	3,209	-	4,249	7,458
Disposals	(37,000)	-	(668)	- 37,668
Depreciation expense		(2,500)	(24,124)	(26,624)
Carrying amount at the end of the year	<u>\$ 2,953,001</u>	<u>\$ 5,000</u>	<u>\$ 123,070</u>	<u>\$ 3,081,071</u>
Consolidated Entity				
	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	41,325,362	7,500	143,613	41,476,475
Additions	4,209	-	4,249	8,458
Disposals	(37,000)	-	(668)	(37,668)
Depreciation expense	-	(2,500)	(24,124)	(26,624)
Carrying amount at the end of the year	<u>\$41,292,571</u>	<u>\$ 5,000</u>	<u>\$ 123,070</u>	<u>\$41,420,641</u>

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

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

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 9: Other Assets				
CURRENT				
Prepayments	<u>22,789</u>	<u>23,964</u>	<u>6,078</u>	<u>6,859</u>
Accrued income	<u>5,068</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,857</u>	<u>\$ 23,964</u>	<u>\$ 6,078</u>	<u>\$ 6,859</u>
Note 10: Trade and Other Payables				
CURRENT				
Unsecured liabilities;				
Trade payables	<u>50,566</u>	<u>29,565</u>	<u>50,566</u>	<u>29,563</u>
Sundry payables and accrued expenses	<u>25,212</u>	<u>37,782</u>	<u>35,450</u>	<u>37,863</u>
	<u>\$ 75,778</u>	<u>\$ 67,347</u>	<u>\$ 86,016</u>	<u>\$ 67,426</u>

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**Note 15: Financial Risk Management**

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

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

	Note	2012 \$	2011 \$	2012 \$	2011 \$
Financial assets					
Cash and cash equivalents	4	<u>728,714</u>	<u>344,718</u>	<u>384,999</u>	<u>98,471</u>
Trade and other receivables	5	<u>23,154</u>	<u>15,651</u>	<u>15,776</u>	<u>6,945</u>
Available-for-sale financial assets, at fair value	7	<u>158,082</u>	<u>110,963</u>	<u>-</u>	<u>-</u>
		<u>\$ 909,962</u>	<u>\$ 471,332</u>	<u>\$ 400,775</u>	<u>\$ 105,416</u>
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	10	<u>75,778</u>	<u>67,347</u>	<u>86,016</u>	<u>67,426</u>
Armidale Dumaresq Council debt	12	<u>282,875</u>	<u>280,684</u>	<u>282,875</u>	<u>280,684</u>
		<u>\$ 358,653</u>	<u>\$ 348,031</u>	<u>\$ 368,891</u>	<u>\$ 348,110</u>

Note 16: Economic Dependence

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

Note 17: Controlled Entities

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

NEW ENGLAND REGIONAL ART MUSEUM LIMITED
ABN 47 131 297 731
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012

The directors of the company declare that:

- the financial statements and notes, as set out in pages 19 to 32, are in accordance with the Corporations Act 2001, and:
 - comply with Accounting Standards and the Corporations Regulations 2001; and
 - give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company;
- in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director

Dated: 26 October 2012



Director

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE

NEW ENGLAND REGIONAL ART MUSEUM LIMITED
ABN 47 131 297 731

Report on the financial report

We have audited the accompanying financial report of the New England Regional Art Museum Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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



Armidale
90 Rusden Street
Armidale, NSW 2350

PO Box 660
Armidale, NSW 2350

T 02 6776 5100
F 02 6772 9492

Coffs Harbour
107 West High Street
Coffs Harbour, NSW 2450

PO Box 8
Coffs Harbour, NSW 2450

T 02 6652 3211
F 02 6651 4301

Grafton
24 Queen Street
Grafton, NSW 2460

PO Box 13
Grafton, NSW 2460

T 02 6642 7555
F 02 6642 7993

Lismore
53 Carrington Street
Lismore, NSW 2480

PO Box 523
Lismore, NSW 2480

T 02 6621 9222
F 02 6621 9385

northernnsw@whk.com.au
www.whk.com.au

WHK Camerons Audit Services Partnership
91 680 058 554



INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of the New England Regional Art Museum Limited on 26 October 2012, would be in the same terms if given to the directors as at the time of this auditors' report.

Audit Opinion

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

WHK Camerons Audit Services

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

Dated 29 October 2012

Armidale
90 Rusden Street
Armidale, NSW 2350

PO Box 660
Armidale, NSW 2350

T 02 6776 5100
F 02 6772 9492

Coffs Harbour
107 West High Street
Coffs Harbour, NSW 2450

PO Box 8
Coffs Harbour, NSW 2450

T 02 6652 3211
F 02 6651 4301

Grafton
24 Queen Street
Grafton, NSW 2460

PO Box 13
Grafton, NSW 2460

T 02 6642 7555
F 02 6642 7993

Lismore
53 Carrington Street
Lismore, NSW 2480

PO Box 523
Lismore, NSW 2480

T 02 6621 9222
F 02 6621 9385

northernnsw@whk.com.au
www.whk.com.au

WHK Camerons Audit Services
Partnership
91 680 058 554

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106 - 114 Kentucky St Armidale NSW 2350

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neram.com.au

02 6772 5255

ABN 47 131 297 731



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