



# New England Regional Art Museum Ltd

Annual Report 2012-2013

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# Annual Report 2013

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2013

- Patron:** Her Excellency Professor Marie Bashir, AC CVO, Governor of NSW
- Vice Patrons:** Tony Windsor MP, Member for New England  
Barry Pearce AM, Emeritus Curator, Australian Art, Art Gallery of New South Wales
- Directors:** Meg Larkin AM, MBA (UNE) – *Chair*  
Andrew Murray, BA (UNE) – *Deputy Chair*  
Chris Serow, BA (UNSW), LLB (UNE), MLLR (Syd) – *Company Secretary*  
Carolyn Cooper, BFA (UNE) CA – *Treasurer*  
Bill Dangar (to May 2013)  
Antony Deakin, OAM, B. Arch. FRAIA  
Murray Guest, BA (Syd) Dip Ed (Syd), M Comm (UNSW)  
Gorm Kirsch MPH (Columbia), MA (Johns Hopkins) (from May 2013)  
Ross Laurie  
Brigette 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), P.Grad.Dip.Arts (Melb), B.A. (Hons) B.Mus. (Hons)  
*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)  
*Marketing Officer* – Lauren Brumby (from September 2012)  
*Development Officer* – Tanya Robinson (from October 2012)  
*Registrar* – Jennifer Butler, Cert. Fine Arts (NAS, Sydney), APP. Paper Cons. (Sydney), Intern. Paper Cons. (Co. Durham, UK) (from January 2013)  
*Museum Officer (Museum of Printing)* – Benjamin Thorn, PhD. B.A. (Hons) Dip.Ed. (Syd)  
*Shop Manager* – Sarita Dutoit

Caroline Downer was on leave from March to June 2013. Christine Durham was Acting Director during her absence.

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

# Chair's Report

I am pleased to present NERAM Limited's Annual Report for 2012-2013. The Annual 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.

The outstanding focus and achievement for the year has been the project to raise funds for the purchase of the **Yellow Room Triptych**, a major painting by Margaret Olley, which she regarded as one of her most important works.

The project was instigated in early 2012 by Packsaddle, NERAM's longstanding and dedicated group of supporters, who raise funds for acquisitions for the collections. This group sought support from the Board to raise \$400,000 for the purchase. In accepting the challenge of raising the necessary funds the Board established a joint committee of NERAM's major fundraising groups chaired by an independent Chair. Sam Beasley was appointed to undertake the role of Chair. Packsaddle, Friends of NERAM, the NERAM Foundation and the Board were represented on the committee. The fundraising project was launched at a dinner in June 2012 and has continued strongly throughout the year.

The Armidale and New England community has been very generous. Some Individual donors have made donations towards the cost of the painting, many others have contributed through participating in events organised by Packsaddle and the Friends of NERAM. Donors willing to have their names published are acknowledged in the body of this report.

Having all of NERAM's fundraising groups working together has been a powerful and positive experience. Packsaddle has now devoted the proceeds from two selling exhibitions to the project and will commit the earnings of the third exhibition in November 2013.

The Friends of NERAM conducted a number of highly successful events and activities throughout the year most notably by selling pieces of a specially constructed wooden jigsaw print of the Yellow Room Triptych; entertaining a large number of NERAM supporters at a High Tea within the Museum and conducting an Ode to Olley dinner, again within the Museum.

Enormous tribute is due to the fundraisers and to the donors who have supported the purchase of this important work and, on behalf of the Board, I express our collective gratitude to Sam Beasley and to the

dedicated members of the Yellow Room Committee. Due to their great commitment, generosity and hard work, it is anticipated that NERAM will be able to make its final payment for the painting by the end of 2013.

In addition to its extreme generosity in providing funds for the **Yellow Room Triptych**, Packsaddle also provided funds for the renovation and refurbishment of the Artist in Residence accommodation attached to the Packsaddle studio. This project is greatly appreciated and will enable NERAM to enrich its programs by bringing practising artists to Armidale and offering them affordable accommodation on site.

In 2013 NERAM celebrates its 30th birthday. Among the celebrations, a number of NERAM supporters were invited by our Patron, Her Excellency Professor Marie Bashir AC CMG, Governor of NSW to attend a reception at Government House. This event celebrated both NERAM's birthday and our successful partnership with the Margaret Olley Trust.

With all of the extra activities, NERAM continued to perform very well during 2012-2013. Attendances continued to grow and the number of public programs and activities increased.





A Friends of NERAM Yellow Room Appeal Fundraiser

In summary, attendances reached 38,589 compared to 35,150 in the previous year, representing a further 10% increase. Similarly there was an increase in the number of people attending public programs with 12,071 people in 2012-2013 compared to 10,945 in 2011-2012.

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. Highlighted exhibitions were the Archibald 2012 Touring Exhibition and The Best of Coventry, a major exhibition, curated by the Museum Director from the Coventry Collection.

Our program of art classes continued throughout the year with art teachers experiencing full classes and great activity.

Considering people at the end of their lives, and sponsored by the Home Nursing Group, NERAM continued a program entitled "Remembering with Art", a program specifically designed for people suffering with dementia and their carers.

As outlined above, the staff at NERAM have managed another very full 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 year the number on our books has risen to 98. These highly valued 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 2012 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 Martha Saw and 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 Museum's exhibition openings and events.

At the Annual General Meeting in 2011 the membership adopted a change to the Constitution to extend Directors' appointments from two years to three years. Thus at our Annual General Meeting in November 2012, there were no changes to the Board. Bill Dangar retired from the Board in May 2013 following five years of dedicated and valued service. Gorm Kirsch was appointed to the resulting casual vacancy.

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. 2012-2013 has been another year of exciting development and progress for this great cultural institution.

Meg Larkin AM  
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 eight 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/Vacant
- 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
- The Yellow Room Appeal Committee –  
Independent Chair: Sam Beasley



Meg Larkin at the Experience the Highs Tourism Armidale launch



## MEMBERSHIP

NERAM Limited was established in July 2008 with 9 members, being the members of the initial Board of Directors appointed by Armidale Dumaresq Council. In January 2010, in association with the Friends of NERAM, the membership was opened to members of the community. Members of the Friends of NERAM were invited to become members of NERAM Limited. Membership, by application, was also opened to people who did not wish to join the Friends of NERAM Inc. In the 2012/2013 year NERAM Limited had 351 registered members.

## HINTON TRUST

The Board resolved to purchase *The Yellow Room Triptych*, by Margaret Olley and to add it to the Hinton Collection. The fundraising appeal continued in 2012-2013.

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

## CHANDLER COVENTRY TRUST

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



## NERAM FOUNDATION

The NERAM Foundation, under the guidance of the NERAM Foundation Advisory Committee and the Board reduced its activities in favour of supporting the drive to raise funds for Margaret Olley's *The Yellow Room Triptych*. The Ode to Olley Dinner was held in the place of the annual Foundation Dinner in 2013.

Funds invested in Australian Equities and Interest Bearing Accounts have continued to grow soundly throughout the year.

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

## REGISTERED OFFICE

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



Ode to Olley Dinner June 2013

## 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.

### OPERATIONAL FUNDING

**Armidale Dumaresq Council.** The principal source of funding for NERAM's operations derived from our Service Agreement with Armidale Dumaresq Council which provided \$297, 584.44 This recurrent funding contributes to basic operations of the Museum.

Additional funding was sourced from **Arts NSW**. A grant of \$40,000 to assist with the annual program of activities and events, and a further \$27,200 for Regional Partnership Project with Home Nursing Group. This is an intergenerational project using artworks from NERAM's rich collections as a catalyst for young and old to create memories together.

NERAM was accepted as part of the Federal Government Enterprise Connect Program with a free business audit undertaken.

### SPONSORSHIP AND DONATIONS - ORGANISATIONS

- **Friends of NERAM (FON)** were particularly supportive of the Art Museum during the year. The Friends sponsored two major exhibitions for the Museum – the Archibald Prize and *Margaret Olley: Home*.
- The **Packsaddle Fundraisers** held their annual selling exhibition in October 2012. \$25,000 was donated to the Yellow Room Appeal, and a further \$11,500 for the renovation of the Packsaddle Artist-in-residence space.
- In 2012, the **Margaret Olley Trust** began its 5 year partnership with NERAM, donating almost \$80,000 in the first year. This funding was built on the current staffing infrastructure, and created a new position of Development Officer, whose role is to provide professional co-ordination of fund-raising for NERAM.



Packsaddle Fundraisers



Exhibition from the Museum of Sydney at NERAM - *Margaret Olley: Home*

NERAM is fortunate to have many financial supporters, including individuals and groups who support NERAM through occasional donations, annual giving, the NERAM Foundation, corporate sponsorship and special fundraising projects. In 2012 and 2013, the community of Armidale and beyond have embraced NERAM's The Yellow Room Appeal to raise funds to acquire Margaret Olley's magnum opus, *The Yellow Room Triptych*.

#### NERAM's Honour Board:

##### FELLOW

Friends of NERAM  
Packsaddle Fundraisers

##### PLATINUM

Mareah and Robert Rhodes-White  
Philip Bacon Galleries

##### GOLD

Anonymous x 2  
Sam and Libby Beasley  
Colleen and Peter Ducat  
Roger and GERALYN Flower  
Harry Geddes and Ydeet Winter-Irving  
The Home Nursing Group  
Andrew and Alexandra Murray  
Malcolm and June Ross  
Anthony and Elizabeth Spring  
Anne Sutherland

##### SILVER

Susan Dunn  
Murray and Joanne Guest  
James Harris  
Amanda and Sebastian Hempel  
June's Jewellery and Gems  
Pam Koebel  
NERAM Foundation  
New England Mutual  
W H and E M Southcott  
The Dangar Group Pty Ltd  
UNE Partnerships  
Veterinary Health Research



Sam Beasley, Chair of The Yellow Room Appeal, Pat Elkin, Patron of Packsaddle

## BRONZE

ADFAS Armidale	Jean Garrett
Anonymous	Paul Greenwood
Michelle Arens and Eric Livingston	Killen's Smash Repairs
Armidale APEX Club	Meg Larkin AM
June Atherton	Legal Minds
Philip and Alison Attard	Peter and Moira Lloyd
Jim and Mary Barber	Lynoch Pty Ltd
Geoffrey and Ruth Barratt	Minor Markle
Bergen Grazing Co	Barry and Lucy McCann
Barbara Beynon	Jennifer Miller
Phillip Bookallil	John and Caroline Mitchell
Pat and Robyn Bradley	Moin and Associates
Shane and Karen Burns	New England Travel Centre
Andrew and Sarah Carruthers	Angus and Caroline Nivison
Clifton Legal	Richard and Beverley Passey
Brian and Priscilla Connor	Keith and Robyn Power
William Coventry	Rosemary Randall
Pattie Coventry	Roberts & Morrow
Suzanne H Coventry	Roy and Nan Robertson
Michael Crouch AO and Shanny Crouch	Graeme and Judith Robinson
Helen and Bill Dangar	Timonee Schaeffer
Michael and Gillian Dunlop	William Todd
Tim Eustace	Peg and Ross Tully
Tim and Gina Fairfax	Pip Warrick
Dennes and Winsome Fayle	James and Anne White
Friends of the Teachers College	Edward and Sally Wright



Margaret Olley, *The Yellow Room Triptych*, 2011



## VALUED

Brian Abbott and Robin Proudford	Ian and Anthea Duncan	Doug Moffatt
Poppy Abbott	Dymocks Armidale	Moore Park Apartments
Lou Abrahams	Edwards Coaches	Dr Mark Morgan
Margie Aggs	Sandra and Aubrey Egan	Peter Morse
Cathy Agius	Elite Motor Inn	Cressida Mort
Agricultural Research Business Institute	Pat and Peter Elkin	Michael and Robyn Muldoon
Megan Aitken	Annemieke English	Sally Munro
Frances and Andrew Alter	Doreen Fay	Jane and Jeremy Nash
Anonymous x 6	Forsyths Accountants	NEGS Framed Art Committee
Armidale First National Real Estate	R L Franklin	NERAMharvest
Armidale Framing and Art Supplies - Gallery	Shirley Frazer	New England Building Recyclers
One Two Six	Elizabeth Fulloon	Elizabeth Niven
Armidale Outdoors	Funk Hair Body	Felicity Nivison
Armidale Regency Motel	Peter and Gai Galbraith	Lesley Nixon
Armidale Retravision	Eric Ghosh	Jillian Oppenheimer
Carmel Arthur	Jane Gifford	Alice Palmer
Helen Arthursen	Merle Goldsmith	Phil Pamment
Patsy Asch and Bar Finch	Linda Greenleaf	Merran Pearson
Austbrokers NTIB	Judith Grieve	Penny Waters Armstrong Legal
Barnier's Office Furniture	Guyra Garden Club	Peter Cameron Insurance Broker
Gillian Belfield	Hannon's Mount View Pharmacy	Eileen and Doug Price AM
Fred and Janet Bell	Elaine Harding	Mary Quinn
W M Berkley	Ron Harrigan	Sylvia Ransom
Shan Blomfield	John Harris and Chris Reading	Kerstin Ranson
Bob Greenes Auto Repairs	Michael Harris	Don Roberts
Joan Boyd	Carol Harris	Phillip and Julia Rose
Edgar and Beatrice Bradley	R. G. Hawksford	John and Barbara Ross
Rose Bransdon-Parkes	Lisa Haynes	Anna Ross
Dar Brookes	Joan Henley	Judith and Christopher Ross-Smith
Gayle Burey	Highlander Van Village	Royal Hotel
Barbara Burton	Alison Hoddinott	Barbara and Ray Rummery
Burton's Saddlery	James and Belinda Hook	Eileen and Terry Sanders
Nan Butcher	John and Margot Hoskins	Brian and Jeanne Seppelt
Judith Carey	Rosemary Howlett	Jeff Siegel
Carr's Newsxpress	David Hunt	Silcar Communications
Cedar Lodge Motel	Hutchinson and Harlow Real Estate	Sue and Ralph Simpfendorfer
Bruce and Kerry Chick	Robyn and Doug Jackson	Dean Spijer
City Centre Motor Inn	Francois and Penelope Jaggi	Jill Spilsbury
Joan and Keith Clarke	Susanne James and Malcolm McClintock	Helen Stokes
Keith and Carolyn Cleland	Ross Jenkins	Robin Stokes
Club Motel	John and Rosemary Johnson	Sue Mann
Coffee Group	Margaret Katz	Thursday Book Club
Lou Conway and Philip Wright	Gorm Kirsch and Geoffrey Fox	Tony Hoskin Plumbing
Shirley Cooke	Knight's Store	Malcolm and Elaine Treadgold
Carolyn Cooper	Astrid Knirsch	Jocelyn Treasure
Michelle Cooper	L S Piddington and Sons	Universal Fire Services
Linley Cornish	Bob and Ann Lemcke	Hans Veersema
Charles and Dorianne Coventry	Cat MacGregor and Bob Waugh	Sir William and Lady Vines
Joc Coventry and Mahalath Halperin	Tom Macwell	WHK Armidale
M D Coventry	Magoffin and Deakin Pty Ltd	Deborah Wildsmith and Andrew Collins
Roger and Prim Cracknell	Richard and Judith Makim	Marie Willick
Neville and Jennifer Crew	Steve Marks	Graham and Helen Wilson
Bill and Lenore Crocker	John and Ann Maurer	Jim and Peronelle Windeyer
Caroline Croft	Rose and Bruce McCarthy	Poh Woodland
Dangar Street Bridge Group	Thelma McCarthy AM	Kate Woodland-Smith
Iain Davidson	E McDonald	Denis and Jenni Wright
Antony and Barbara Deakin	Jenny McKenzie	Alison and Anthony Wright
Christoph Dejung	Katherine McLennan	Nicholas Wright
Dewhurst Dental	Chris Meares	Graham and Janet Wyles
Brian Dobbyn	P and A Miles	Martin Young
Susan Donegan	Mary Mills	
Andrew Doran and Dianne Beatty	Minto Dental Practice	
Caroline Downer	B and G Moffatt	



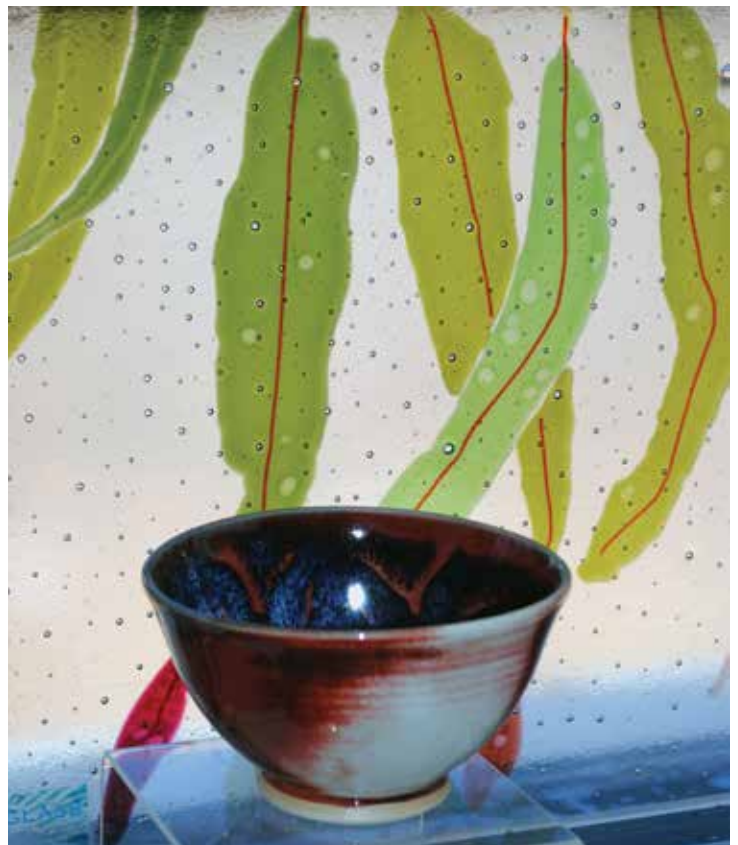


## MUSEUM SHOP

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

## NERAMHARVEST

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

Lauren Brumby was appointed as Marketing Officer (part-time) to replace Jane Gifford.

Two new staff positions were established following funding from the Margaret Olley Trust Fund: Tanya Robinson was appointed Development Officer in October 2012, and Jennifer Butler as Registrar in January 2013.

Museum Director Caroline Downer was on leave from March to June 2013. Christine Durham was Acting Director during her absence.

### STAFF DEVELOPMENT

Caroline Downer attended the 2012 Museum Leadership Conference in Sydney. The program included sessions on design strategy, audience development, branding, managing risk and opportunity, verbal communication and DISC profiling.

Christine Durham attended an Art and Alzheimers update at the National Gallery of Australia.



Caroline Downer, Director NERAM, Ross Laurie, NERAM Ltd Board, Prof Stephen Tobias, UNE School of Education.

## VOLUNTEERS

In the past year, there have been almost 5000 volunteer hours worked in the organisation, equating to over \$100,000 in-kind. There are 96 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	Bob Lemcke	Anne Rocznio
Abdullah Alkhmay	Ann Lemcke	Julia Rose
Patsy Asch	Graham MacKay	Lene Rui
Michelle Babich	Tony Marjoram	Disna Saleewani
Margaret Bain	Beth Mayne	Eileen Sanders
Pamela Black	Rose McCarthy	Kerri Sarota
Keira Boeran	Kylie McCarthy	Joe Sartori
Pamie Brazier-Hollins	Christine McClelland	Michelle Schouten
Lauren Brumby	Lorene Michel	Maryann Scott
Trish Burley	Marilyn Miller	Kasumi Scott
Sally Cater	Sally Munro	Sylvia Jane Sotheran
Rowena Childs	Linda Ogonowski	Cindy Ta
Rosalind (Ros) Clark	Diana Pape	Alex Taylor
Keith Clarke	Dick Passey	Ermias Teweldemedhin
Joan Clarke	Beverley Passey	Helen Thomas
Barbie Connah	Tom Penrose	Phu Tri Tran
Lorna Creaghan	Lucia Perez	Anna Walkden-Brown
Bill Crocker	Diana (Dini) Perry	Jenny Walmsley
Lenore Crocker	Leila Pinto Fulane	Anna Warum
Patricia Daley	Robyn Power	Kate Woodland-Smith
Bill Dangar	Rachel Prior	Laura Wu
Susan Donegan	Sylvia Ransom	Manna Zhao
Anthea Duncan		
Gillian Dunlop		
Annemieke English		
Basem Ertimi		
Amy Franks		
Liz Fulloon		
Barbara Giblin		
Julia Gorzitzke		
Jean Gossip		
Diana Gray		
Kathleen Hannan		
Alison Hoddinott		
Fiona Hua		
Lainie Hubbard		
Lizi Ipkendanz		
Kris Jackson		
Louise Jesser		
Dacre King		
Joanne Knight		
Pam Koebel		
Magdalena Krakowski		
Kevin Kyle		



Lynne Walker, Friends of NERAM catering at exhibition openings



## POLICIES

The following policies were ratified by the Board in 2012/2013: These policies may be viewed on the NERAM Website [www.neram.com.au](http://www.neram.com.au)

- NERAM Workplace Health and Safety Manual
- NERAM Board and Art Museum Director/Staff Delegations Policy
- NERAM Research Library Policy
- NERAM Conservation Policy
- NERAM Donor Recognition Policy



## 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.

### PERMANENT COLLECTIONS:

Permanent collections are the core of our exhibition program. Exhibitions range from artist or period surveys to thematic style displays which allow visitors to interact and interpret the permanent collections in different ways. The highlight in 2012-2013 was the exhibition Best of Coventry, a focus on Chandler Coventry's donations for the first time in over a decade.

### CONSERVATION

A Preservation Needs Assessment on the Howard Hinton and Chandler Coventry Collections was completed this year and a Conservation Policy was ratified by the Board.

### ACQUISITIONS:

The New England Regional Art Museum acquired 10 works of art in the year through individual donors. All met the requirements of the Art Museum's Collections Policy.

1. Euan Macleod, *Claw*, acrylic on canvas was donated by the artist with the assistance of Stephen and Yuana Hesketh.
2. Lionel Lindsay, *Camellia*, woodcut was donated by Mike Potts

The following were donated by Mary Quinn through the Australian Government's Cultural Gifts Program:

1. Kevin Connor, *Figures, Sunset, Victoria Street*, linocut
2. Margie Sheppard, *Float*, etching with aquatint, coloured ink
3. Bill Meyer, *Gap with Abandoned Crossing*, photo etching, drypoint, aquatint
4. Gracia Haby & Louise Jennison, *A Lament to the Sleeping Kingfisher*, two coloured lithographic offset print, hand-coloured with pencil
5. Vicky Reynolds, *Sea Journey*, etching aquatint
6. Dianne Fogwell, *Love Song*, etching with chine colle
7. Yvonne Watson, *Covered Passage*, etching and aquatint
8. Fred Cress, *Paliser 18*, acrylics, compressed charcoal and chalk



Euan Macleod, *Claw*, acrylic on canvas, 2012



## DEACCESSIONING:

In 2012/13, 5 works were sold from the NERAM collection.

- James Gleeson, *Study for Primavera*
- Adrian Feint, *Yellow Roses*
- Victor Majzner, *Second Hand Primitive*
- Victor Majzner, *Tumuli Mound*
- John R. Walker, *Rabbit on Plate*

## LOANS:

The following works were loaned to other institutions in 2012/13

Australian National Maritime Museum	Kenneth Macqueen	<i>The Beach Fisherman</i>
Carrick Hill, South Australia	Jeffrey Smart	<i>Vacant Allotment, Woolloomooloo</i>
National Gallery of Australia	Sydney Long	<i>Pont y Garth, North Wales</i>
		<i>Sydney Harbour View</i>
		<i>Oatley Bay, Georges River</i>
		<i>The shepherdess</i>
		<i>Summer pastoral</i>
		<i>Street scene, Alexandria</i>
Manly Art Gallery and Museum	James R Jackson	<i>Paseo Pollenza, Spain</i>
Norman Lindsay Gallery	Norman Lindsay	<i>Belshazzar</i>
		<i>Careening Cove</i>
		<i>Guarded</i>
		<i>Happiness</i>
		<i>Hot Blood</i>
		<i>Hydrangea</i>
		<i>Odysseus</i>
		<i>Study for Guarded</i>
		<i>Study for Happiness</i>
		<i>Sunny days</i>
Grafton Regional Gallery	Douglas Fry	<i>Mates</i>
	Martin Stainforth	<i>Study of a racehorse</i>
Art Gallery of NSW	Roy de Maistre	<i>Boat Harbour</i>

## RENTALS

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

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

## MUSEUM OF PRINTING

The Museum of Printing continued its operations throughout 2012-2013. 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 Fridays from 10:30am to 3:30pm from July till October and then on Thursdays and Fridays from November to June. It could also be and was open by appointment.

### Visitors

MoP had over 300 visitors in the year. This included groups from TAS, TAFE, Anglican Deans Conference, St Mary of the Angels, Guyra. Comments in the Visitor's Book were overwhelmingly positive.

### Oral History Project

MoP received another \$400 grant from the Royal Australian Historical Society. About six interviews were conducted and transcribed including: Barry Regan, David Sutherland, John Walker, Keith Hamilton, Len Hubbard, Warwick Hogan.

Material from the oral history project formed the basis of an on-going monthly column in ProPrint called Print's Past.

### Temporary Exhibitions

The Cabinet of Typographic Monstrosities continued to be on display. A digital version of this display was prepared and a link to it is now on the website.

"Ticket to Ride" a display of tickets related to transport continued till September.

"You Can Take a Frock to Market" a display of clothing ads which included material from UNE and Regional Archives was installed in September associated with History Week.

### 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

David Barker donated a Kelsey lever press with Wimble plate, and Bill Thorn donated an Adana Lever Press, a complete set of "Matrix" and a collection of miniature books.

### Other activities

Information and materials were provided to several requests for information from people outside Armidale.

Benjamin Thorn's talk "You Can Take a Frock to Market" was presented during history week at MoP and also at the Lismore and Tweed Heads Libraries as part of the speakers connect program. A link to an edited version of the talk is on the website.

## 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:

- ***Best of Coventry*** curated by Caroline Downer, Director
- ***A Different Perspective***, curated by Philippa Charley-Briggs, curator
- ***Backdrop***, selected by Felt-Tip Theatre Company and curated by Philippa Charley-Briggs, curator
- ***Pick of the Bunch***, selected by NERAM volunteers and curated by Philippa Charley-Briggs, curator
- ***Glory of Abstract***, curated by Philippa Charley-Briggs, curator
- ***With a Brush in her Hand*** curated by Caroline Downer, Director
- ***Thirty! 30 Years of Acquisitions*** curated by Caroline Downer, Director
- ***Playtime!*** curated by Christine Durham, Acting Director
- ***Signs and Symbols*** curated by Christine Durham, Acting Director





Nicci Parry Jones: Sense of Play

### **Guest Exhibitions**

The following major touring exhibitions were hosted by NERAM in 2012/2013.

- *Not the Way Home*
- *Margo Lewers: Expansion*
- *The Archibald Prize 2012 Tour*
- *Jacaranda Acquisitive Drawing Prize* from Grafton Regional Art Gallery

### **Community Exhibitions**

- Packsaddle held its annual fundraising exhibition in October 2012
- A continuing partnership with the University of New England, resulted in the UNE School Art Prize, *Let's Hang it!*

### **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:

- *Nadia Waters: Creek Lines*
- *Kerry Gulliver and Hayley Ward: Surface Tension*
- *Ann Streckfuss: Spring Suite*
- *Peter Griffin: In and Out of Abstraction*
- *Amanda Airs: Please refrain from wearing shoes*
- *Hilary Pollock: Serenade – the Artist and the Bush*
- *Nicci Parry-Jones: Sense of Play*
- *Ted Hillyer: From the Mountains to the Sea*



The Archibald Prize Exhibition Opening March 2013





Curator Philippa Charley-Briggs, Education Tour of The Archibald Prize at NERAM

## PUBLIC PROGRAMS/ EDUCATION

2012/13 saw an 10% increase to NERAM's educational and public programs with 12,071 visitors. Throughout the year 35 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 each term.

Public Programs included concerts, exhibition openings, ARTnexus (local artist networking event), artist and curator talks (Richard Green, Jude McBean, Basil Hall, MOP curator Benjamin Thorn), special film event for International Museum Day and on demand Storeroom Tours. Artist workshops included Lucy & Barry McCann with the Archibald Prize, Printmaking with Basil Hall and Plaster sculpting with James Rogers. Several full day school holiday workshops were conducted and provided a quality art experience for school aged children with professional artists.

Highlights in 2012-2013 included:

Two highly respected figures in the visual art world visited NERAM. **Barry Pearce** provided an insight into the Packsaddle Exhibition and a public talk on Margaret Olley's The Yellow Room Triptych. **Professor Sasha Grishin**, the Sir William Dobell Professor of Art History at ANU, spoke on Chandler Coventry and his significant influence on contemporary Australian art, and followed with a floor talk





through the “Best of Coventry” exhibition.

On 6 October **Felt Tip Theatre Company** presented a gala night of performance skits inspired by artworks they had chosen from the Howard Hinton Collection where the public were invited to participate with hilarious results.

Margaret Olley’s *The Yellow Room Triptych* was the inspiration for the **Chairs, Rugs and Other Stuff Family Fun Day** on 14 October. The day drew a very large crowd and the museum was packed with children and families taking part in numerous art activities including the creation of a large collaborative Yellow Room in 3D artwork, yellow flower pinwheels, and yellow-inspired badges.

A live **radio forum** in November chaired by presenter from ABC New England North West, Kelly Fuller with artists from the *Not the Way Home* exhibition including; Margaret Ackland, Elisabeth Cummings, Merran Esson, Joe Frost, Alan Jones, Jennifer Keeler-Milne, Ross Laurie, Steve Lopes, Euan Macleod, Idris Murphy, and Guy Warren.

On 26 March NERAM celebrated its **30th Birthday**. An open invitation was circulated to people in Armidale to join us for champagne and cake, and to enjoy a free storeroom tour and guided tours of the Museum of Printing



Felt-tip Theatre Company, *Backdrop*



Family Fun Day

throughout the day.

Two special Friends of NERAM events - transforming the museum into a **high tea** parlour for over a 120 invited guests to fundraise for the purchase of The Yellow Room Triptych and an **Ode to Olley Tribute dinner** attended by many dignitaries, including Philip Bacon, Meg Stewart and special tributes from long-time friends of Margaret Olley, Her Excellency Professor Marie Bashir, AC CMG, Governor of





*Not the Way Home* Radio Roadshow



NSW and Barry Humphries.

An innovative intergenerational project, **Creating Memories**. In partnership with the Home Nursing Group and Armidale High School, students and elderly residents from Autumn Lodge met regularly at NERAM over terms 2 and 3. The project aimed to combat social isolation among elderly members of the community. Guided by NERAM's education officer and digital media artist Laszlo Szabo, the two groups visited the gallery and discovered artworks, shared stories, ideas and thoughts about life, ageing, art and memories. The project culminated in a multimedia exhibition that follows the project from its beginning.

**Packsaddle Art Studio** activity grew with a new Tuesday Drawing class, an additional Wednesday Painting class and two after school Drama Classes adding to the after school art classes with Del Bennett, adult weekday and weekend painting and life drawing classes and night time print-making classes during school terms. In addition several adult workshops were held in Packsaddle during the



Creating Memories

# 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

school holidays with artist Kerry Wilson.

## 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 38,589 in this financial year, a 10% increase since last year. This equates to 162% of our local government area population.

## MARKETING

From visitor surveys undertaken during the year, it was noted that most people gain their information about NERAM through local newspapers (64%), brochures (58%), website (45%) and personal recommendation (52%).

Marketing for NERAM is divided into 3 sections:

1. Human interest stories for press releases to local newspapers and magazines and for digital content on Facebook and Webposts.
2. Calendar listings are distributed through e-newsletter, cultural organisations emailouts including Regional Arts NSW, and
3. General distribution through mailout to member list, and poster and flyer distribution to local

businesses and targeted community groups.

## 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 also appeared in Sun Herald, and in the new publications linked to the "Experiencing the Highs" tourism campaign.

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 is distributed fortnightly.

### **Website and Social media**

NERAM has its own website, 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.



Basil Hall Printing Workshop





# Financial Statements

year ended 30 June 2013

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED****ABN 47 131 297 731****DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2013****Principal Activities**

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

**Meetings of Directors**

During the financial year, 8 meetings of directors were held and the attendances by each director during the year were as follows:

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

**Membership Details**

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

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

**Auditors' Independence Declaration**

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

Signed in accordance with a resolution of the Board of Directors

Director

Director

Dated 16 October 2013

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

**ABN 47 131 297 731**

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2013 there have been:

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

**Crowe Horwath Central North**



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

Dated 17 October 2013

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

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

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

The accompanying notes form part of these financial statements.



NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

**ABN 47 131 297 731**

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

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

The accompanying notes form part of these financial statements.

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

**ABN 47 131 297 731**

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

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

The accompanying notes form part of these financial statements.

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

**ABN 47 131 297 731**

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

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**Note 1: Statement of Significant Accounting Policies**

**Basis of Preparation**

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

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

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

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

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

**Accounting Policies**

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

**(a) Income Tax**

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

**(b) Inventories**

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

**(c) Property, Plant and Equipment**

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

**Collection Assets (Hinton, Coventry and Museum of Printing)**

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

**Plant and Equipment**

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



NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

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

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**Note 1: Statement of Significant Accounting Policies**

**(c) Property, Plant and Equipment continued**

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

**Depreciation**

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

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

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

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

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

**(d) Financial Instruments**

**Initial recognition and measurement**

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

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

**Classification and subsequent measurement**

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

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

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

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

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

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

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**Note 1: Statement of Significant Accounting Policies**

**(d) Financial Instruments Continued**

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

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

*(ii) Loans and receivables*

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

*(iii) Held-to-maturity investments*

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

*(iv) Financial liabilities*

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

**Impairment**

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

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

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

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

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

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

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**Note 1: Statement of Significant Accounting Policies**

**(d) Financial Instruments Continued**

**Derecognition**

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

**(e) Impairment of Assets**

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

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

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

**(f) Employee Benefits**

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

**(g) Provisions**

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

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

**(h) Cash and Cash Equivalents**

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

**(i) Revenue**

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

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

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**Note 1: Statement of Significant Accounting Policies**

**(i) Revenue Continued**

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

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

**(j) Trade and Other Payables**

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

**(k) Goods and Services Tax**

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

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

**(l) Comparative Figures**

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

**(m) Critical Accounting Estimates and Judgements**

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

Key estimates — Impairment

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

**(n) Basis of Consolidation**

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

**(o) Reserve - Yellow Room**

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



**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

**ABN 47 131 297 731**

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

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**Note 1: Statement of Significant Accounting Policies**

**(p) Changes in Accounting Policies**

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

**Presentation of items of other comprehensive income (OCI)**

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

- Items of OCI were grouped into:

- items that will not be reclassified subsequently to the profit or loss; and
- those that will be reclassified subsequently to profit or loss when specific circumstances occur; and

- the title "income statement" was changed to "statement of profit or loss". Although other titles are also permitted, the company has decided to use the title "statement of profit or loss".

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

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

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

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

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

**Note 6: Inventories**

CURRENT

Stock on Hand, at cost:

Art stock

NERAM shop inventory

	19,120	19,120	19,120	19,120
	<u>24,974</u>	<u>33,570</u>	<u>24,974</u>	<u>33,570</u>
	<u>\$ 44,094</u>	<u>\$ 52,690</u>	<u>\$ 44,094</u>	<u>\$ 52,690</u>

**Note 7: Financial assets**

Available-for-sale financial assets

Held-to-maturity financial assets

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

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

- shares in listed corporations, at fair value

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

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

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

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

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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

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

(a) Movements in carrying amounts

**Parent Entity**

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

**Consolidated Entity**

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

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

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

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



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

**Note 11: Provisions**

**Parent**

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

**Consolidated**

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

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

**Provision for employee benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave. Long service leave is accrued after an employee reaches five years of service. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

**Note 12: Other Liabilities**

**CURRENT**

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

**NON-CURRENT**

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

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

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

**Note 13: Reserves**

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

**Yellow Room**

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

The reserve is comprised of

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

**Note 14: Events After the End of the Reporting Period**

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

**Note 15: Financial Risk Management**

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

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

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

**Note 16: Economic Dependence**

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

**Note 17: Controlled Entities**

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

**Note 18: Capital Commitments**

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

**NEW ENGLAND REGIONAL ART MUSEUM LIMITED**

**ABN 47 131 297 731**

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

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The directors of the company declare that:

1. the financial statements and notes, as set out in pages 30 to 45, are in accordance with the Corporations Act 2001, and:
  - (a) comply with Accounting Standards Reduced Disclosure Regime and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director



Director

Dated 16 October 2013

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

**ABN 47 131 297 731**

**Report on the financial report**

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

*Directors' responsibility for the financial report*

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

*Auditor's responsibility*

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

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

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

**Independence**

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

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

**ABN 47 131 297 731**

**Basis of Qualified Audit Opinion**

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

**Audit Opinion**

When reporting in accordance with a fair presentation framework (Australian Accounting Standards – Reduced Disclosure Requirements), except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of New England Regional Art Museum Limited and its controlled entities is in accordance with the Corporations Act 2001, including

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Crowe Horwath Central North**



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

Dated 17 October 2013







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