



New England Regional Art Museum Ltd

Annual Report 2013-2014

www.neram.com.au

NERAM
NEW ENGLAND REGIONAL ART MUSEUM

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Annual Report 2014

About Us

VISION

A dynamic arts centre for:

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

MISSION

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

CONNECTING people

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

CREATING memorable cultural experiences and opportunities

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

CELEBRATING, developing and preserving our iconic collections

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

Chair's Report

Welcome to this Annual Report presentation for the 2013 -14 financial year. This is my first report as the Chair of NERAM since my appointment in April this year (2014) and it has been another busy year at your Art Museum.

Our most successful fundraising project in recent times was the acquisition of The Yellow Room Triptych by Margaret Olley. We launched the fundraising in June 2012 and by October 2013 the \$400,000 had been raised. This was a powerful testament to the passion within the NERAM community and their willingness to get behind a project that they believed in.

As you look through this annual report you will see the names of 96 volunteers, over 40 people driving the activities of Friends of NERAM and Packsaddle and 284 donors on the Honour Board. Add this to the board members who give their time and the staff members who all put in many hours "over and above" and you get a sense of the impact that a building full of beautiful art can have on a community. We average 125 visitors per day and that makes us the most popular attraction in the region. Our task is to build on this support and enthusiasm and find more

ways that the community can engage with and assist us in our constant quest to improve.

There were 28 different and engaging exhibitions during the year ranging from ***Before Computers*** to the Japanese ***Koinobori Project*** and that wonderful ***Plein Air*** exhibition from the Hinton Collection. We had two significant in-house curated exhibitions - ***Herbert Badham: Observing the Everyday*** and ***The White Connection***. No one will forget the power of ***Reality in Flames*** from the Australian War Memorial. All of these exhibitions, whether from our collections or "visiting", require a significant amount of planning, organisation and physical work from staff and volunteers and they should all be very proud of the results on our walls over the past year.

We also took the opportunity to review our Strategic Plan for NERAM. This started in February 2014 with a planning day set aside and facilitated by Cressida Mort from TAS. We had Board Members, Staff and Presidents from both Friends and Packsaddle together in the room to help define a future path for NERAM. While there were no dramatic shifts in direction proposed, we did resolve to renew our focus on the things that matter most to our



Peter Lloyd, Philip Bacon, Andrew Murray, Meg Larkin

Art Museum - our community, the quality of the experiences and opportunities we provide and the need for a more diversified funding base.

One significant event that occurred was the Federal funding grant for the renewal of our air conditioning plant. Our former Member for New England, Tony Windsor secured a grant for \$250,000 for our air conditioning renewal and then there was a change of government and all funds were held pending a review. Our new Member, Barnaby Joyce then secured the funding in what proved to be a tight situation – our thanks to both our local Members for their efforts. We will complete the project in November 2014 and, with the help of a new Building Management System that co-ordinates all of our various heaters, coolers, air vents and de-humidifiers we expect a dramatic saving in power costs. Art works need well controlled air spaces and having efficient systems is an essential part of improving the structural integrity of our Art Museum.

The NERAM Foundation finished the financial year with net assets of \$315,120 and it paid \$10,500 from its investment income to NERAM to support operational activities. The Foundation has taken a “fundraising back seat” while the Yellow Room Appeal has been active but it remains our main vehicle for achieving a secure financial future. I would like to recommend Foundation donations to all NERAM supporters as a way of ensuring that the future for our Art Museum is a vibrant one.

The Hinton Trust has been receiving funds from the Armidale Dumaresq Council as part of a settlement reached with the Supreme Court in 2007. NERAM had initially been using these funds to assist with the payment of the annual insurance on the Hinton Collection. A decision was taken by the Board to preserve the remaining capital and invest it, with income only being used for the benefit of the Hinton Trust. Another important step in securing our financial future.

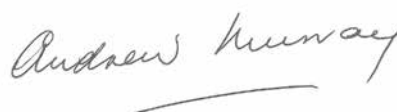
The Friends of NERAM, ably lead again by Martha Saw, continue to provide great support to NERAM and they are a pleasure to work with. The major project for this year has been the landscaping work at the entrance to the Packsaddle studio and this will add much needed flexibility to the area for entertaining and as a breakout space for studio users.

An idea that came from our planning day was to have Friends, Packsaddle, the Board and Staff all working in a more co-ordinated way and to this end we now have a Constituents Communication and Co-ordination Committee meeting every few months to make sure we are all in touch with each other's plans.

The Board has had a few changes. The most notable has been the retirement of Meg Larkin who has been Chair of NERAM Ltd since incorporation in 2008. Meg brought wisdom, a strong background in arts administration and a sense of calm control to the governance of NERAM during her time as Chair. Those who have worked closely with Meg will miss her and we all wish her well in retirement. Christopher Serow also retired as a Director this year and he has given more to NERAM than many people will come to know. Aside from the normal demands on a Director, Chris has given his time as a lawyer, pro bono, to the value of many thousands of dollars to provide NERAM with the governance structures and trusteeships that it has today. Thankyou Chris. Ross Laurie and Stuart Boggs also resigned during the year and we thank them for their support of NERAM. New Directors that were appointed to fill these casual vacancies were Steve Gow, Lou Conway and Sam Beasley.

We also welcome three new Vice Patrons, Dr Philip Bacon AM, Mr Barnaby Joyce MP and Mr Adam Marshall MP.

To all Directors, Caroline and her hard working Staff, Volunteers and those that support us though Friends and Packsaddle I offer my personal thanks for everything that you bring to NERAM both individually and collectively.



Andrew Murray

Art Museum Director's Report

What a year it has been!

28 exhibitions

112 events

280 art classes

and **39 046** visitors to our fantastic gallery

\$400,000 raised for The Yellow Room Appeal. It is certainly a testament to the generosity of our supporters that we reached our target in only 18 months. I extend my sincere gratitude to our many donors who support our many cultural endeavours.

Friends of NERAM are certainly to be congratulated - they support our art museum in a myriad of ways: from sponsoring key exhibitions, supporting our fund-raising efforts and The Yellow Room Appeal, to providing superb catering for our exhibition openings. These openings continue to grow due, in no small part, to their efforts. Packsaddle Fundraisers, in turn, organise an outstanding selling exhibition each year, and have made substantial contributions to the Yellow Room Appeal.

12 works were loaned to State and Regional Galleries including Roy de Maistre, *Boat Harbour* to the Sydney Moderns Exhibition at Art Gallery of NSW, and a number of Gruners to the major survey exhibition organised by Canberra Museum and Art Gallery.

Our Adrian Feint work *The Jetties, Palm Beach* from the Howard Hinton Collection went to the Royal Academy of Art in London as part of their Australia show. This exhibition was the first major survey of Australian art in the UK for 50 years and included two hundred works and documented 100 years of Australia's history and landscape.

We received **8** new acquisitions for our NERAM Collection including a major work *Pink Dam Waters Floating Trees* by Idris Murphy and a lovely self portrait of Newcastle artist, John Montefiore.

I would also like to pay particular tribute to our volunteers - it is only with their help that we manage to do so much. They can be found in all parts of the art museum:

Hanging exhibitions

At our front desk and Museum Shop

Maintaining our press clipping file

Cataloguing research library

Keeping the workroom clean

Assisting with the audit of our wonderful collection

Finally I would like to acknowledge the staff whose enthusiasm, generosity and professionalism are the reason that NERAM continues to grow, and is such a vital part of our community. I am very grateful to their good humour in facing the challenges of an art museum that is small in means but large in ambition!

Caroline Downer



Vice Chancellor UNE Annabelle Duncan, Art Museum Director Caroline Downer and Artist Angus Nivison



2014 HIGHLIGHTS

39,034
visitors

(150% of our local
population)



The Yellow
Room Appeal
target
achieved
\$400,000!



Badham
exhibition

first since 1983



5000
volunteer
hours



Australia
Day award
for Big
Birthday
Bash



A very large
cardboard
tree in our
foyer



Work loaned
to Royal
Academy
London



112
events



Innovation
award
Creating
Memories



New
acquisition
Idris Murphy



The White
Connection
nominated
for Museums
Australia award



People and Supporters

Visitors reached 39,034 in 2013, a 14% increase from 2012. This equates to 150% of our local government area population.

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

Key Stakeholders

Friends of NERAM plays such a vital role, not only through specific funding for special exhibitions including Capturing Flora, but also in volunteer labour. Their volunteer contribution not only through catering at openings, but at other functions throughout the year, allows NERAM to provide a variety of activities despite limited resources. Friends of NERAM support gives NERAM the opportunity to bring in high quality exhibitions, and to provide specific public programs that specifically meet the needs and interests of its community.

Packsaddle Fundraisers held a successful selling exhibition in October 2013, and are keen to support the Museum through acquisitions to its art collections.

Margaret Olley Trust continued its partnership with NERAM, donating \$77,373.90 to assist with staffing infrastructure.

Operational Funding

Armidale Dumaresq Council is the principal source of funding for NERAM's operations, with a service agreement which provides \$307,495.47.

Arts NSW assists with an annual grant in 2013 for \$40,000.

The NERAM Foundation supported NERAM with \$10,500 for its programs and activities. These funds are paid out of income generated from investments.

Project Grants

Project grants allow NERAM the opportunity to develop special programs. In 2013 funding was received from a number of sources including Arts NSW ('Young People' project with Drummond Public School), University of New England (UNE School Art Prize), Gordon Darling Foundation (Hinton Catalogue), Federal Government Community Heritage Grant (Collection conservation), Copyright Agency Ltd (digital artist-in-residence), Royal Australian Historical Society (Museum of Printing Oral History Project), Home Nursing Group (Creative Memories and Ageing Artfully).

Individual Giving

The circle of support for NERAM has continued to widen. Over the past year we welcomed 34 new individual donors who gave generously in support of operations, programs, the NERAM Foundation and special projects – representing in just one year an increase of over 11% to the donation and corporate supporter cohort, with donations ranging from \$20 to \$20,000. Individual donors are a huge support to the gallery, complemented by the many visitors who make non-receipted donations through our 'Entry by Donation' policy.



Packsaddle Committee

NERAM Information

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

In the 2013/2014 year NERAM Limited had 231 registered members.

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

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

Directors: Meg Larkin AM, – Chair (to April 2014)
Andrew Murray – Deputy Chair, (Chair from April 2014)
Chris Serow – Company Secretary (to April 2014)
Carolyn Cooper - Treasurer, (Company Secretary from April 2014)
Sam Beasley (from May 2014)
Stuart Boggs (from November 2013 to March 2014)
Lou Conway (from March 2014)
Stephen Gow (from November 2013)
Murray Guest
Gorm Kirsch - (Deputy Chair from April 2014)
Ross Laurie (to December 2013)
Peter Lloyd

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

Committees

The Board continued to operate a number of committees. These committees are chaired by Directors, and membership includes members of the community with expertise in the area of governance being addressed.

- Audit, Risk Management and Building Committee
- Collections Advisory Committee
- NERAM Foundation and Trusts Investment Committee
- Yellow Room Appeal Committee – Independent Chair: Sam Beasley (dissolved 20 November 2013)

Staff:

Permanent

Director – Caroline Downer
Deputy Director (Operations/Education) - Christine Durham
Curator – Philippa Charley-Briggs
Development Officer – Tanya Robinson
Registrar – Jennifer Butler
Museum Officer (Museum of Printing) – Benjamin Thorn
Shop Manager – Sarita Dutoit

Contractors:

Hayley Clark: Financial book-keeper
Brent James: IT support

Volunteers

In the past year, there have been almost 5000 volunteer hours worked in the organisation, equating to almost \$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
Patsy Asch
Michelle Babich
Margaret Bain
Fin Baker
Juliette Beck
Jack Bedson
Keira Boeran
Pamie Brazier-Hollins
Stephanie Brummell
Trish Burley
Sally Cater
Reuben Charley-Briggs
Rowena Childs
Ros Clark
Keith Clarke
Barbie Connah
Bill Crocker
Lenore Crocker
Bill Dangar
Trish Donald
Susan Donegan
David Doyle
Anthea Duncan
Gillian Dunlop
Annemieke English
Bar Finch
Priscilla Fischer
Linda Frame
Verity Fraser
Liz Fulloon
Philip Gardner

Barbara Giblin
Julia Gorzitzke
Jean Gossip
Stephen Gow
Diana Gray
Kerry Gulliver
Alison Hoddinott
Kris Jackson
Louise Jesser
Jessie Kelly
Michaela Ker David
Dacre King
Joanne Knight
Pam Koebel
Magdalena Krakowska
Kevin Kyle
Jonathan Larsen
Robert Lemcke
Ann Lemcke
Graham MacKay
Tony Marjoram
Kylie McCarthy
Rose McCarthy
Malcolm McClintock
Benjamin McPhilipps
Lorenne Michel
Marilyn Miller
Erika Molner
Michael Morrissey
Sally Munro
Linda Neil
Liam Nethery

Matthew Nethery
Linda Ogonowski
Diana Pape
Tom Penrose
Lucia Perez
Diana (Dini) Perry
Isabella Post
Robyn Power
Rachel Prior
Sylvia Ransom
Mia Riley
Brandy Ritch
Bronwen Roberts
Anne Rocznio
Mark Rond
Michelle Schouten
Kasumi Scott
Claire Sommerlad
Zoe Stevenson
Gabrielle Stratton
Laszlo Szabo
Alex Taylor
Ermas Teweldemedhin
Helen Thomas
James Thomas
Phu Tri Tran
Jessica Villani
Anna Walkden-Brown
Jenny Walmsley
Anna Warum
Hollie Woodford
Laura Wu





We also acknowledge all the wonderful work of our support groups:

Friends of NERAM Committee:

Martha Saw (Chair), Lynne Walker and Lucinda Wright (Deputy Chairs), Rebecca Livings (Treasurer), Ady Hallam, Ned McDowell, Ro Randall, Helen Templeton

2013: Harry Geddes, Peter Lloyd, Malcolm McClintock, Hugh Piper

Friends of NERAM Fundraising and Catering Committee:

Tom Bird, Johann Croukamp, Ady Hallam, Sally Hardaker, Sarah Johnston, Moira Lloyd, Graham MacKay, Malcolm McClintock, Jennifer Miller, Fiona Murray, Diana Pape, Ro Randall, Martha Saw, Lynne Walker, Helen Wilson, Jarrod Woods, Alison Wright

Packsaddle Committee:

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

Honour Board

Our Honour Board recognises and acknowledges the generosity of all our supporters from corporate sponsors to individuals over the last five years. They have supported numerous areas of the art museum – The Yellow Room Appeal, the NERAM Foundation, Special Projects, exhibitions and events.

FELLOW

Friends of NERAM
Packsaddle Fundraisers

PLATINUM

Philip Bacon Galleries
Mareah and Robert Rhodes-White

GOLD

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

SILVER

Barbara Beynon
Brian and Priscilla Connor
Helen and Bill Dangar
Murray and Joanne Guest
James Harris
Amanda and Sebastian Hempel
June's Jewellery and Gems
Pam Koebel
New England Mutual
W H and E M Southcott
The Dangar Group Pty Ltd
UNE Partnerships
Veterinary Health Research
Edward and Sally Wright
Anonymous



BRONZE

Lou Abrahams
ADFAS Armidale
Margie Aggs
Michelle Arens and Eric Livingston
Armidale APEX Club
Armidale Framing and Art Supplies – Gallery 126
Helen Arthurson and Iain Davidson
June Atherton
Philip and Alison Attard
Jim and Mary Barber
Geoffrey and Ruth Barratt
Bergen Grazing Co
Shan Blomfield
Phillip Bookallil
Pat and Robyn Bradley
Shane and Karen Burns
Andrew and Sarah Carruthers
Bruce and Kerry Chick
Clifton Legal
Shirley Cooke
Pattie Coventry
Suzanne H Coventry
William Coventry
Roger and Prim Cracknell
Michael Crouch AO and Shanny Crouch
Christoph Dejung
Ian and Anthea Duncan
Michael and Gillian Dunlop
Pat and Peter Elkin
Tim Eustace
Tim and Gina Fairfax
Dennes and Winsome Fayle
R L Franklin
Friends of the Teachers College
Jean Garrett
Paul Greenwood
Ron Harrigan
R G Hawksford
Alison Hoddinott
John and Rosemary Johnson
Killen's Smash Repairs
Astrid Knirsch
Meg Larkin AM

Legal Minds
Peter and Moira Lloyd
Lynoch Pty Ltd
Richard and Judith Makim
Minor Markle
John and Ann Maurer
Barry and Lucy McCann
Rose and Bruce McCarthy
Thelma McCarthy AM
Chris Meares
Jennifer Miller
John and Caroline Mitchell
Moin and Associates
Dr Mark Morgan
Peter Morse
Sally Munro
New England Travel Centre
Elizabeth Niven
Angus and Caroline Nivison
Phil Pamment
Richard and Beverley Passey
Merran Pearson
Keith and Robyn Power
Eileen and Doug Price AM
Mary Quinn
Rosemary Randall
Roberts & Morrow
Roy and Nan Robertson
Graeme and Judith Robinson
Judith and Christopher Ross-Smith
Rebecca Schaefer
Timonee Schaeffer
Brian and Jeanne Seppelt
Helen Stokes
W D Thorn
Malcolm and Elaine Treadgold
William Todd
Peg and Ross Tully
Pip Warrick
James and Anne White
Graham and Helen Wilson
Nicholas Wright
Anonymous

VALUED

Brian Abbott and Robin Proudford
Poppy Abbott
Cathy Agius
Agricultural Research Business Institute
Megan Aitken
Frances and Andrew Alter
Armidale First National Real Estate
Armidale Outdoors
Armidale Regency Motel
Armidale Retravision
Carmel Arthur
Patsy Asch and Bar Finch
Austbrokers NTIB
Barnier's Office Furniture
Paul Barratt
Elizabeth Barwick

Gillian Belfield
Fred and Janet Bell
W M Berkley
Bob Greenes Auto Repairs
Joan Boyd
Edgar and Beatrice Bradley
Rose Bransdon-Parkes
Dar Brookes
Anita and Trevor Brown
Gayle Burey
Barbara Burton
Burton's Saddlery
Nan Butcher
Judith Carey
Carr's Newsxpress
Cedar Lodge Motel

City Centre Motor Inn
Joan and Keith Clarke
Keith and Carolyn Cleland
Club Motel
Coffee Group
Lou Conway and Philip Wright
Carolyn Cooper
Michelle Cooper
Linley Cornish
Charles and Dorianne Coventry
Joc Coventry and Mahalath Halperin
M D Coventry
Neville and Jennifer Crew
Bill and Lenore Crocker
Caroline Croft
Dangar Street Bridge Group

VALUED (cont.)

Antony and Barbara Deakin
Dewhurst Dental
Brian Dobbyn
Susan Donegan
Andrew Doran and Dianne Beatty
Dymocks Armidale
Edwards Coaches
Sandra and Aubrey Egan
Elite Motor Inn
Annemieke English
Doreen Fay
Forsyths Accountants
Shirley Frazer
Elizabeth Fulloon
Funk Hair Body
Peter and Gai Galbraith
Eric Ghosh
Jane Gifford
Merle Goldsmith
Linda Greenleaf
Judith Grieve
Guyra Garden Club
Hannon's Mount View Pharmacy
Elaine Harding
Julia Hardman
John Harris and Chris Reading
Carol Harris
Michael Harris
Lisa Haynes
Joan Henley
Highlander Van Village
James and Belinda Hook
John and Margot Hoskins
Rosemary Howlett
David Hunt
Hutchinson and Harlow Real Estate
Robyn and Doug Jackson
Francois and Penelope Jaggi

Susanne James and Malcolm McClintock
Ross Jenkins
Margaret Katz
Gorm Kirsch and Geoffrey Fox
Knight's Store
Judith Laffan
Rosemary Leitch AM
Robert and Ann Lemcke
L S Piddington and Sons
Cat MacGregor and Bob Waugh
Tom Macwell
Magoffin and Deakin Pty Ltd
Sue Mann
Steve Marks
E McDonald
Jenny McKenzie
Katherine McLennan
P and A Miles
Mary Mills
Minto Dental Practice
B and G Moffatt
Doug Moffatt
Moore Park Apartments
Cressida Mort
Michael and Robyn Muldoon
Jane and Jeremy Nash
NEGS Framed Art Committee
NERAMharvest
New England Building Recyclers
Felicity Nivison
Sue Nivison
Lesley Nixon
Jillian Oppenheimer
Lorraine Osborn and Terry Larsen
Packsaddle Art Class
Alice Palmer
David and June Pearson
Penny Waters Armstrong Legal

Peter Cameron Insurance Broker
Sylvia Ransom
Kerstin Ransom
Don Roberts
Anna Ross
Phillip and Julia Rose
John and Barbara Ross
Royal Hotel
Barbara and Ray Rummary
Eileen and Terry Sanders
Brian and Jeanne Seppelt
Jeff Siegel
Silcar Communications
Sue and Ralph Simpfendorfer
Dean Spijer
Jill Spilsbury
Robin Stokes
Anita Taylor
Valma Terbutt
Thursday Book Club
Tony Hoskin Plumbing
Jocelyn Treasure
John and Diane Trestrail
Universal Fire Services
Hans Veersema
Sir William and Lady Vines
Gordon and Angela White
WHK Armidale
Deborah Wildsmith and Andrew Collins
Marie Willick
Jim and Peronelle Windeyer
Poh Woodland
Kate Woodland-Smith
Alison and Anthony Wright
Denis and Jenni Wright
Graham and Janet Wyles
Martin Young
Anonymous x 6





Exhibitions and Events



At the forefront of our activities is a commitment to engaging with art and artists in a way that makes our audience central to everything we do — to create significant, memorable and sometimes transformative art experiences. We tell the stories of our community connecting people and ideas, harnessing the opportunities of new technology, so that NERAM is a place where everyone is welcome.

Exhibition Highlights

In 2013 we brought *Capturing Flora*, a beautiful and popular exhibition from Ballarat Art Gallery to NERAM, the only venue in NSW. This exhibition was a major celebration of 300 years of Australian botanical art and took visitors through a historical journey of how Australia's amazing and diverse flora have been recorded, interpreted and popularized by botanical artists from William Dampier and the early explorers to the present day.

As part of this exhibition, we unveiled the work of Caroline Tindal, a self-taught artist who, during the late 19th and early 20th centuries, produced hundreds of exquisite paintings of Australia's flora, painted on her property near Grafton. In 2013, a

collection of more than 300 of her paintings in her own monogrammed satchel was discovered by her family and some of her extraordinarily accurate watercolours were shown for the first time in *Capturing Flora*.

A particular highlight in the exhibition calendar was *The White Connection*, curated by Philippa Charley-Briggs. This exhibition brought together a number of community organisations that provided source material and objects including National Trust property Saumarez (the White family former residence), the UNE Heritage Centre, Armidale Folk Museum, The Armidale School and The New England Girls School.

The White family were prominent members of the Armidale community from the late 1880s, who left a lasting legacy of influence, both public and private, that survives in the city to this day. This exhibition connected the threads of the White family throughout Armidale and highlighted their involvement in local activities, from family affairs to community activities such as supporting soldiers during World War I. Like a thread running through the fabric of New England - the White

family's influence in the region connected families, communities and provided help and strength in times of trouble. Through an exciting visual combination of paintings, photographs, decorative arts objects, everyday White family possessions and World War One mementos, visitors were engaged in the stories of the White family and our community. A series of talks complemented the exhibition, as well as a number of satellite displays – at Dixon Library, UNE Heritage Centre and Saumarez which showed different aspects of the White Family's legacy.

Event Highlights

NERAM held a variety of events throughout the year including a number of artist and curator talks in connection with exhibitions, concerts, book launch, local artist networking event, International Museum Day and volunteer days.

13 October was one of the biggest days in NERAM's recent history with over 500 people attending Armidale's Big Birthday Bash, a day of creative and fun activities for all ages on the theme of sustainability and the environment. This year we collaborated with Armidale Landcare and the Armidale Tree Group to make it a day of art, play, music and nature.

An exciting new initiative designed to engage new audiences was Ageing Artfully. Supported by the Home Nursing Group, Ageing Artfully was held in conjunction with Seniors Week as a fun hands-on creative day. With the generous support of many people in the community we had drumming, pop-up choirs, Yarn bombing, Talking Heads, Musical Cocktails and Fabulous Fashionistas. It was a crazy colourful day to give something back to older people in our community and create opportunities to participate to whatever level they wanted.

Fundraising events included the NERAM Foundation Winter Warmer Fundraiser with 105 people in attendance, and over \$15,000 raised. Feedback was overwhelmingly positive, with many guests saying that they enjoyed the more relaxed format, meal options, variety of auction items, room decorations, digital fireplace and found the use of the TAS Theatre made conversation easier as noise levels were reduced. There was substantial support by auction donors, meat and wine donations, and Friends of NERAM.







Education and Life Long Learning

2013 saw an increase to NERAM's educational and public programs. 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) and international school visitors from Korea and Japan. An educational newsletter, ART SMART was distributed to all schools in the region each term. Our storeroom was also kept busy all year with visits by both organised groups, and by individuals.

NERAM held School holiday workshops in Clay, Writing, Mixed Media and sculpture with several professional artists and Adult workshops in Writing, studio and plein air painting, Printmaking, Botanical Illustration to Zine Making. The Packsaddle Art Studio was a hive of activity with Tuesday Drawing class, Thursday Painting class, two after school art classes with Del Bennett, weekend painting and life drawing classes and night time print-making classes.

One of the greatest successes for the year was Creating Memories, an innovative intergenerational project co-created by students from Armidale High School working with digital media artist Laszlo Szabo and seniors in the community. Supported by Arts NSW Regional Partnership grant and The Home Nursing Group, students experienced shared stories and conversations, capturing their created memories using film, photography and mixed media artworks.

Exhibitions 2013-2014

Permanent Collections

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

- *Sensory Visions* curated by Philippa Charley-Briggs, curator
- *Yellow* curated by Caroline Downer, Director
- *Herbert Badham: Observing the Everyday* curated by Caroline Downer, Director
- *Splash!* curated by Caroline Downer, Director
- *Mrs Newling's Drive* curated by Caroline Downer, Director
- *What's your Angle?* curated by Philippa Charley-Briggs, curator
- *B.C. (Before Computers)* curated by Christine Durham, Deputy Director and Benjamin Thorn, MoP curator
- *Face to Face* curated by Caroline Downer, Director
- *Plein Air* curated by Caroline Downer, Director

Guest Exhibitions

The following major touring exhibitions were hosted by NERAM in 2013/2014

- *Richard Green: Remote and Wild*
- *Print Circle: The Sheltering Tree*
- *Capturing Flora: Passion for the Exotick* from the Art Gallery of Ballarat
- *George Baldessin: Creative Power*
- *Australian War Memorial: Reality in Flames*

Community Exhibitions

- Packsaddle held its annual fundraising exhibition in October 2013
- *Creating Memories I*
- *The White Connection*
- *The Koinobori Project* – a Australian/Japanese collaboration
- *Let's Hang it!: UNE School Art Prize*

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:

- *Pam French: Drawn through the Year*
- *NERAM art classes: Gardens with Altitude*
- *Isabelle Devos: Calm before the storm*
- *Robert Cobcroft: Echoes in the Hedgerow*
- *Val Allen: Reflections on Nature*
- *Frances Alter: Carried Away*
- *Tony Sevil: Outside Inside*
- *Euraba Artists and Papermakers Strong Women Strong Will*
- *Exposure: Unseen Armidale*

RICHARD LAL



Collections

Permanent Collection Exhibitions

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 2013-2014 was the exhibition ***Herbert Badham: Observing the Everyday***. Herbert Badham was a realist painter of social urban life, and renowned for his scenes of Sydney. This exhibition focused on his key works in the Hinton Collection, in particular ***Girl at the Piano*** and ***Hyde Park***. Complemented by works in state regional galleries and private collections, this exhibition concentrated on the everyday – from domestic interior scenes to Sydney landscapes from the 1930s. We were delighted that Bert's daughter Chebi Badham came for the opening. As the subject of the ***Girl at the Piano***, she posed in front of the painting.

In 2013 we focussed on interactive elements in our permanent collection exhibitions, including ***Sensory Visions*** which covered sound, touch, taste, smell and of course sight. A giant tangram was at the centre of ***What's your angle?*** and we incorporated an interactive digital initiative as part of the exhibition ***Face to Face***. Designed by digital artist, Laszlo Szabo, a video study of digital faces in our community was co-created by visitors and projected onto the gallery wall. Visitors interacted with the wonderful portraits. We were delighted to see that this 'selfie' project appealed to all ages – the final version will be on NERAM's website. This project was sponsored by ADFAS Armidale Youth Fund and Regional Arts NSW.

Artworks – Loans and Acquisitions

Works from our collections were loaned to significant exhibitions including:

Adrian Feint ***The Jetties Palm Beach*** was loaned to the Royal Academy of Arts, London for their Australian survey show, and a number of Elioth Gruners were sent to Canberra and to Newcastle for a major Gruner retrospective.

We were delighted to acquire a major work by Idris Murphy ***Pink Dam Waters Floating Trees***, 2012, acrylic and collage on board donated by the artist. This work broadens and enhances the landscape theme in the NERAM Collections and we are delighted to now have an example of the work of one of Australia's leading landscape painters.

Museum of Printing

The Museum of Printing continued its operations throughout 2013-2014. This included maintaining and expanding the permanent display of large equipment, presenting several temporary exhibitions and providing the opportunity for educational tours and workshops. It was gratifying to see artists Ian Bettinson and Linda Ogonowski use MoP to create several typographical based prints. The Museum of Printing featured in the NERAM permanent collection exhibition program – including ***Signs and Symbols*** and ***BC Before Computers***.

The Oral History Project continued with another five interviews conducted and transcribed. Material from this project forms the basis of an on-going monthly column in ProPrint called Print's Past, and is also being compiled into a book "Keep the Presses Running" which is in preparation for publication in 2014.

A number of donations of books and small items were received. Bill Thorn donated his collection of books on printing, printmakers and illustrators and private press books.

Permanent Collection Information

Acquisitions

George BALYCK, *Ocean Plum*, collage and acrylic

George BALYCK, *Port de France*, collage and acrylic

George BALYCK, *Juliana*, collage and acrylic

George BALYCK, *Captain Cat*, collage and acrylic

Max MILLER *Untitled*, watercolour, pencil and ink

John MONTEFIORE, *Self Portrait*, oil on board, Gift of Don Stratton 2013

Idris MURPHY, *Pink Dam Waters Floating Trees*, 2012, acrylic and collage on board. Gift of the artist 2013

David VOIGT, *19 Transient Forest One* 1975, pencil and ink on paper



Art



ARTIST'S NAME
TITLE
MEDIUM
DATE
PRICE

ARTIST'S NAME
TITLE
MEDIUM
DATE
PRICE

Loans

To Orange Regional Gallery

Ways of Seeing: Orban, Olsen and Ogburn Apr 2013 – Sep 2014

1976_15 John OGBURN, *Still Life*, 1952, oil on composition board, Gift of Chandler Coventry 1976

To Royal Academy of Arts, London

Australia: land and landscape Sep to Dec 2013

1942.12 Adrian FEINT, *The Jetties, Palm Beach*, 1942, oil on canvas, Gift of Howard Hinton 1942

To Sydney University Art Gallery

Jeffrey Smart 1921-2013: Recondita Armonia – Strange Harmonies of Contrast Nov 2013 – Mar 2014

1979.104 Jeffrey SMART, *Vacant Allotment, Woolloomoolloo*, 1947, oil on canvas, Gift of Chandler Coventry 1979

To Canberra Museum and Art Gallery

Elioth Gruner: the texture of light Mar– Jul 2014

1939_79 Elioth GRUNER, *On the Beach*, 1912, oil on canvas, Gift of Howard Hinton 1939

1933_24 Elioth GRUNER, *Silver Light*, 1916, oil on canvas, Gift of Howard Hinton 1933

1941_27 Elioth GRUNER, *The Beach*, 1918, oil on canvas, Gift of Howard Hinton 1941

1939_127 Elioth GRUNER, *Sunrise, Yass District*, 1931, oil on wood, Gift of Howard Hinton 1939

1939_118 Elioth GRUNER, *Sunset, Yass District*, 1931, oil on canvas on three-layer plywood, Gift of Howard Hinton 1939

1934_44 Elioth GRUNER, *Beach Idyll*, 1934, oil on canvas on composition board, Gift of Howard Hinton 1934

1938_25 Elioth GRUNER, *Winter Afternoon, Bellingen*, 1937, oil on canvas, Gift of Howard Hinton 1938

To Art Gallery of NSW

Sydney Moderns July to October 2013

1939_138 Roy DE MAISTRE, *Boat Harbour*, 1925, Oil on wood, Gift of the Society of Artists, 1939

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:

2005_11 Neil EVANS, *Pinch Gut*, acrylic on paper on canvas, Gift of Stephen and Yuana Hesketh 2005

2003_85 Helen GEIER, *Plotting from the fragment 3*, mixed media and collage on canvas, Anonymous donation with the assistance of the Agapitos/Wilson Art Foundation, 2003

2003_84 Helen GEIER, *Plotting from the fragment 4*, mixed media and collage on canvas, Anonymous donation with the assistance of the Agapitos/Wilson Art Foundation, 2003

2003_83 Helen GEIER, *Plotting from the fragment 5*, mixed media and collage on canvas, Anonymous donation with the assistance of the Agapitos/Wilson Art Foundation, 2003

1997_131 Christopher HODGES, *Big Blue Bull*, 1988, Oil on canvas, Gift of the artist 1997

2002_24 Graham KUO, *Maelstrom II*, 1993-94, oil and acrylic on canvas, Anonymous donation with the assistance of the Agapitos/Wilson Art Foundation 2002

2003_220 Jeff MAKIN, *Dights Falls No. 2*, oil on canvas, Gift of Lowenstein Arts Management 2003

2002_119 Brian NILAND, *1st Theme*, 2000, acrylic on canvas, Gift of the artist 2002

2002_118 Brian NILAND, *2nd Theme*, 2000, acrylic on canvas, Gift of the artist 2002

2002_117 Brian NILAND, *3rd Theme*, 2001, acrylic on canvas, Gift of the artist 2002

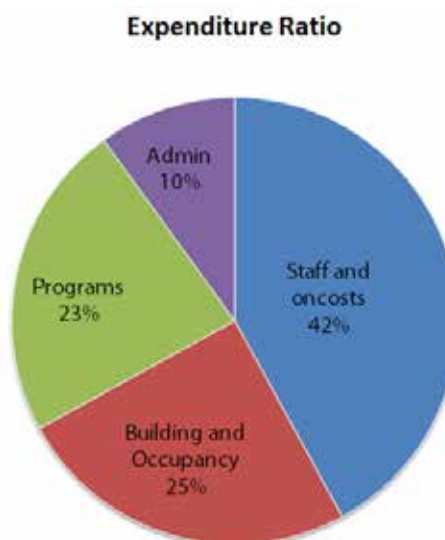
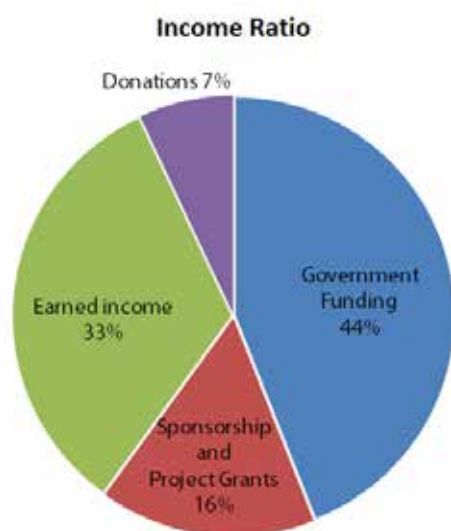
2002_127 George OLSZANSKI, *Untitled (Wildflower series)*, acrylic on canvas, Gift of Annette de Olszanski-Ronikier 2002

2005_33 George RAFTOPOULOS, *Battle of the Salamis*, 2003, acrylic on canvas, Gift of Stephen and Yuana Hesketh 2005

2005_36 Leo ROBBA, *Tower Gold Coast*, acrylic on paper on canvas, Gift of Stephen and Yuana Hesketh 2005

2002_204 Leo ROBBA, *Fades away*, acrylic on paper on canvas, Gift of the artist 2002

Financial Overview



Financial Comments

The financial results for the 2013/14 financial year incorporate two unusual transactions that require some additional explanation. The first being the treatment of The Yellow Room Triptych 2007 – Following the finalisation of the acquisition the artwork was placed in the Howard Hinton Collection, the result of this is shown in the financial statements as an expense (Donation of artwork) in the Parent Company accounts. This is subsequently eliminated in the consolidated accounts.

The second unusual transactions relates to the revaluation of the collections. During the audit of the 2014 financial statements it was identified that the valuation basis used to value the Collections was inconsistent with the requirements of the Australian Accounting Standards. To enable compliance with the Australian Accounting Standards the collections are required to be valued at Market Value, the valuation basis previously used was based on insurance values, the resulting adjustment was a significant devaluation in the value of the artwork.

Carolyn Cooper
Treasurer, NERAM Ltd



Financial Statements

year ended 30 June 2014

NEW ENGLAND REGIONAL ART MUSEUM LIMITED**ABN 47 131 297 731****DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2014****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	8	8
A Murray	10	9
M Guest	10	5
G Kirsch	10	7
P Lloyd	10	7
C Cooper	10	9
C Serow	8	5
R Laurie	6	1
S Beasley	2	2
L Conway	4	4
S Boggs	3	1
T Deakin	3	3
S Gow	6	6
B Leece	3	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	231	\$ 10	\$ 2,310
Total	231	\$ 10	\$ 2,310

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 2.12.2014

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012
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 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) 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



Ian Brooks
Registered Company Auditor (ASIC RAN 411019)
90 Rusden Street
Armidale NSW 2350

Dated: 2 November 2014

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 2014

		Consolidated		Parent	
	Note	2014	2013	2014	2013
		\$	\$	\$	\$
Sales revenue	2	230,625	200,081	230,625	200,081
Cost of goods sold		(59,990)	(97,558)	(59,990)	(97,558)
Gross profit		170,635	102,523	170,635	102,523
Other revenue	2	667,502	1,076,141	612,585	951,457
Total revenue		838,137	1,178,664	783,220	1,053,980
Staff expenses		(334,989)	(319,639)	(334,989)	(319,639)
Depreciation expense	3	(27,652)	(25,725)	(27,652)	(25,725)
Finance costs	3	(14)	2,383	(14)	2,383
Occupancy expenses		(162,732)	(169,530)	(131,806)	(140,175)
Collection expenses		(10,878)	(18,865)	(10,878)	(18,865)
Public program expenses		(33,935)	(47,200)	(33,935)	(47,200)
Administration expenses		(26,818)	(15,349)	(25,568)	(15,349)
Marketing and promotion expenses		(30,471)	(15,678)	(14,862)	(14,878)
Project grant expenditure		(15,382)	(9,822)	(15,382)	(9,822)
General expenses		(36,383)	(39,874)	(36,383)	(39,874)
Donation of artwork		-	-	(363,636)	-
Shop expenses		(1,802)	(856)	(1,802)	(856)
Board expenses		(5,374)	(7,829)	(5,374)	(7,664)
Profit before income tax		151,707	510,680	(219,061)	416,316
Income tax expense	1(a)	-	-	-	-
Profit after income tax		151,707	510,680	(219,061)	416,316
Other comprehensive income					
Net gain on revaluation of Art Collections		(13,492,057)	2,429,960	(468,425)	369,610
Recognition of the yellow room		339,628	(221,071)	339,628	(221,071)
Transfer of the yellow room		-	-	-	-
Unrealised gain/(loss) on available for sale asset		17,597	31,251	-	-
Other comprehensive income for the year, net of tax		(13,134,832)	2,240,140	(128,797)	148,539
Total comprehensive profit for the year		\$ (12,983,125)	\$ 2,750,820	\$ (347,858)	\$ 564,855
Total comprehensive income attributable to members of the entity		\$ (12,983,125)	\$ 2,750,820	\$ (347,858)	\$ 564,855

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

		Consolidated		Parent	
	Note	2014 \$	2013 \$	2014 \$	2013 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	462,556	731,579	409,878	425,673
Trade and other receivables	5	17,139	16,973	12,753	13,133
Inventories	6	50,626	44,094	50,626	44,094
Financial assets	7	105,039	136,264	-	-
Other current assets	9	29,677	29,746	9,011	8,100
TOTAL CURRENT ASSETS		665,037	958,656	482,268	491,000
NON CURRENT ASSETS					
Financial assets	7	485,190	199,063	-	-
Property, plant and equipment	8	27,388,412	44,189,400	3,082,996	3,789,480
TOTAL NON CURRENT ASSETS		27,873,602	44,388,463	3,082,996	3,789,480
TOTAL ASSETS		28,538,639	45,347,119	3,565,264	4,280,480
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	51,923	84,938	75,500	85,026
Provisions	11	19,303	10,880	19,303	10,880
Other liabilities	12	204,642	168,561	204,642	168,561
TOTAL CURRENT LIABILITIES		275,868	264,379	299,445	264,467
NON CURRENT LIABILITIES					
Other liabilities	12	112,491	154,491	112,491	154,491
TOTAL NON CURRENT LIABILITIES		112,491	154,491	112,491	154,491
TOTAL LIABILITIES		388,359	418,870	411,936	418,958
NET ASSETS		\$ 28,150,280	\$44,928,249	\$ 3,153,328	\$ 3,861,522
EQUITY					
Reserves	13	-	2,942,012	942,438	881,662
Yellow room appeal		6,818	346,446	6,818	346,446
Retained earnings		28,143,462	41,639,791	2,204,072	2,633,414
TOTAL EQUITY		\$ 28,150,280	\$44,928,249	\$ 3,153,328	\$ 3,861,522

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

<u>Parent</u>	Yellow Room Appeal \$	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2012	125,375	512,052	2,438,169	3,075,596
Profit after income tax	-	-	416,316	416,316
Total other comprehensive income for the year	-	-	148,539	148,539
Transfers to/(from) reserves	221,071	369,610	(369,610)	221,071
Balance at 30 June 2013	\$ 346,446	\$ 881,662	\$ 2,633,414	\$ 3,861,522
Profit after income tax	-	-	(219,061)	(219,061)
Total other comprehensive income for the year	-	-	(128,797)	(128,797)
Transfers to/(from) reserves	(339,628)	60,776	(81,484)	(360,336)
Balance at 30 June 2014	\$ 6,818	\$ 942,438	\$ 2,204,072	\$ 3,153,328
<u>Consolidated</u>				
Balance at 1 July 2012	125,375	512,052	41,318,931	41,956,358
Profit after income tax	-	-	510,680	510,680
Total other comprehensive income for the year	-	-	2,240,140	2,240,140
Transfers to/(from) reserves	221,071	2,429,960	(2,429,960)	221,071
Balance at 30 June 2013	\$ 346,446	\$ 2,942,012	\$ 41,639,791	\$44,928,249
Profit after income tax	-	-	151,707	151,707
Total other comprehensive income for the year	-	-	(13,134,832)	(13,134,832)
Transfers to/(from) reserves	(339,628)	(2,942,012)	(513,204)	(3,794,844)
Balance at 30 June 2014	\$ 6,818	\$ -	\$ 28,143,462	\$28,150,280

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

		Consolidated		Parent	
	Note	2014	2013	2014	2013
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		840,565	1,027,921	814,054	1,048,004
Payments to suppliers and employees		(616,574)	(786,022)	(686,989)	(770,373)
Interest received		21,529	18,934	10,369	7,086
Net cash provided by (used in) operating activities		245,520	260,833	137,434	284,717
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(254,902)	81,710	-	-
Proceeds from sale of artwork, plant and equipment, investment		-	47,950	-	47,950
Purchase of property, plant and equipment		(259,631)	(247,609)	(153,229)	(247,609)
Net cash (used in) provided by investing activities		(514,533)	(117,949)	(153,229)	(199,659)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		-	(44,384)	-	(44,384)
Net cash (used in) provided by financing activities		-	(44,384)	-	(44,384)
Net increase (decrease) in cash held		(269,013)	98,500	(15,795)	40,674
Cash at the beginning of the financial year		\$ 731,569	633,069	425,673	384,999
Cash at the end of the financial year	4	\$ 462,556	\$ 731,569	\$ 409,878	\$ 425,673

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover New England Regional Art Museum Limited as a consolidated entity. New England Regional Art Museum Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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 at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (m).

The financial statements were authorised for issue on 2 December 2014 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 based on independent and Directors valuations, and in line with the company valuation policy. 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 2014**

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 2014

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

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(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

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(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 preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of Significant Accounting Policies

Employee benefits provision

As discussed in note 1 (f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(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 and subsequent costs with the reserve to be fully expended by 30 June 2015.

(p) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has applied AASB 1053 from 1 May 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has applied AASB 2010-2 from 1 May 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The company has applied AASB 13 and its consequential amendments from 1 May 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of Significant Accounting Policies

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 May 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

(q) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Note 2: Revenue				
Operating activities:				
Shop sales	103,421	92,753	103,421	92,753
Collections income	16,243	(23,783)	16,243	(23,783)
Public programmes income	110,961	131,111	110,961	131,111
Total revenue from operating activities	230,625	200,081	230,625	200,081
Non-operating activities:				
Arts NSW project	42,357	32,640	42,357	32,640
Margaret Olley trust	77,374	79,757	77,374	79,757
Arts NSW	40,000	40,000	40,000	40,000
Armidale Dumaresq Council funding	307,495	397,584	307,495	297,584
Capital infrastructure	-	33,000	-	33,000
UNESAP funding	10,409	5,409	10,409	5,409
Gordon Darling project	11,818	-	11,818	-
Copyright agency funding	10,000	-	10,000	-
Royal Historical society	1,000	364	1,000	364
Community heritage funding	5,300	-	5,300	-
Yellow room appeal	24,008	221,071	24,008	221,071
Interest received	21,529	18,934	10,369	7,086
Fundraising and sponsorship	28,513	31,587	12,493	30,682
Donations	54,473	176,258	37,923	182,133
Dividend income	11,187	10,521	-	-
Membership income	13,340	15,785	13,340	15,785
Conservation funds - Coventry Collection	-	5,575	-	-
Other income	8,699	7,656	8,699	5,946
Total revenue from non-operating activities	667,502	1,076,141	612,585	951,457
Total revenue	\$ 898,127	\$ 1,276,222	\$ 843,210	\$ 1,151,538
Note 3: Profit for the Year				
Depreciation expense	\$ 27,652	\$ 25,725	\$ 27,652	\$ 25,725
Finance costs	\$ 14	\$ (2,383)	\$ 14	\$ (2,383)
Note 4: Cash and Cash Equivalents				
Cash on hand	250	250	250	250
Cash at bank	462,306	731,329	409,628	425,423
	462,556	\$ 731,579	\$ 409,878	\$ 425,673
(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	462,556	731,579	409,878	425,673
	\$ 462,556	\$ 731,579	\$ 409,878	\$ 425,673

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Note 5: Trade and Other Receivables				
CURRENT				
Trade receivables	13,241	13,782	13,241	13,782
Less: Provision for impairment	(488)	(649)	(488)	(649)
	<u>12,753</u>	<u>13,133</u>	<u>12,753</u>	<u>13,133</u>
Other receivables	4,386	3,840	-	-
	<u>\$ 17,139</u>	<u>\$ 16,973</u>	<u>\$ 12,753</u>	<u>\$ 13,133</u>

Note 6: Inventories

CURRENT

Stock on Hand, at cost:

Art stock

NERAM shop inventory

	19,954	19,120	19,954	19,120
	<u>30,672</u>	<u>24,974</u>	<u>30,672</u>	<u>24,974</u>
	<u>\$ 50,626</u>	<u>\$ 44,094</u>	<u>\$ 50,626</u>	<u>\$ 44,094</u>

Note 7: Financial assets

Available-for-sale financial assets

Held-to-maturity financial assets

	485,190	199,063	-	-
	<u>105,039</u>	<u>136,264</u>	<u>-</u>	<u>-</u>
	<u>\$ 590,229</u>	<u>\$ 335,327</u>	<u>\$ -</u>	<u>\$ -</u>

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

- shares in listed corporations, at fair value

	<u>\$ 485,190</u>	<u>\$ 335,327</u>	<u>\$ -</u>	<u>\$ -</u>
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Available-for-sale assets comprise investments in the ordinary issued capital of public listed corporations. 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 2013	199,063	199,063	-	-
Additions	203,746	203,746	-	-
Fair value remeasurement	82,381	82,381	-	-
Closing balance at 30 June 2014	<u>\$ 485,190</u>	<u>\$ 485,190</u>	<u>\$ -</u>	<u>\$ -</u>

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
(b) Held-to-maturity financial assets comprise:				
- term deposits	<u>\$ 105,039</u>	<u>\$ 136,264</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

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Note 8: Property, Plant & Equipment				
Plant and Equipment				
Plant and equipment	230,368	224,775	230,368	224,775
Less: Accumulated depreciation	(118,473)	(93,321)	(118,473)	(93,321)
	111,895	131,454	111,895	131,454
Motor vehicle	17,500	17,500	17,500	17,500
Less: Accumulated depreciation	(17,500)	(15,000)	(17,500)	(15,000)
	-	2,500	-	2,500
NERAM collection (at fair value)	2,741,219	3,430,150	2,741,219	3,430,150
	2,741,219	3,430,150	2,741,219	3,430,150
Museum of Printing Collection (at fair value)	229,882	225,376	229,882	225,376
	229,882	225,376	229,882	225,376
Hinton Collection (at fair value)	22,187,029	37,441,320	-	-
	22,187,029	37,441,320	-	-
Coventry Collection (at fair value)	2,118,387	2,958,600	-	-
	2,118,387	2,958,600	-	-
Total Plant and Equipment	\$27,388,412	\$44,189,400	\$ 3,082,996	\$ 3,789,480

(a) Movements in carrying amounts

Parent Entity

	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	3,655,526	2,500	131,454	3,789,480
Additions	-	-	5,593	5,593
Revaluations	(468,285)	-	-	(468,285)
Transfers/adjustments	(216,140)	-	-	(216,140)
Depreciation expense	-	(2,500)	(25,152)	(27,652)
Carrying amount at the end of the year	\$ 2,971,101	\$ -	\$ 111,895	\$ 3,082,996

Consolidated Entity

	Collection Assets	Motor Vehicle	Plant and Equipment	Total
Balance at the beginning of the year	44,055,446	2,500	131,454	44,189,400
Additions	-	-	5,593	5,593
Revaluations	(16,778,929)	-	-	(16,778,929)
Depreciation expense	-	(2,500)	(25,152)	(27,652)
Carrying amount at the end of the year	\$27,276,517	\$ -	\$ 111,895	\$27,388,412

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. Note a revaluation decrement has been processed in the financial statements to recognise the assets at market value. The prior period valuation methodology based the value of collections on insurance values, this methodology is inconsistent with the requirements of the Australian Accounting Standards and corrections have accordingly been processed in the 2013/14 period.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Note 9: Other Assets				
CURRENT				
Prepayments	27,361	26,224	9,011	8,100
Accrued income	2,316	3,522	-	-
	<u>\$ 29,677</u>	<u>\$ 29,746</u>	<u>\$ 9,011</u>	<u>\$ 8,100</u>
Note 10: Trade and Other Payables				
CURRENT				
Unsecured liabilities;				
Trade payables	31,214	58,850	31,214	58,850
Sundry payables and accrued expenses	20,709	26,088	44,286	26,176
	<u>\$ 51,923</u>	<u>\$ 84,938</u>	<u>\$ 75,500</u>	<u>\$ 85,026</u>

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 11: Provisions

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Analysis of total provisions				
Current	<u>19,303</u>	<u>10,880</u>	<u>19,303</u>	<u>10,880</u>
	<u>\$ 19,303</u>	<u>\$ 10,880</u>	<u>\$ 19,303</u>	<u>\$ 10,880</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	78,642	84,561	78,642	84,561
Armidale Dumaresq Council debt	<u>126,000</u>	<u>84,000</u>	<u>126,000</u>	<u>84,000</u>
	<u>\$ 204,642</u>	<u>\$ 168,561</u>	<u>\$ 204,642</u>	<u>\$ 168,561</u>

NON-CURRENT

Armidale Dumaresq Council debt	<u>112,491</u>	<u>154,491</u>	<u>112,491</u>	<u>154,491</u>
	<u>\$ 112,491</u>	<u>\$ 154,491</u>	<u>\$ 112,491</u>	<u>\$ 154,491</u>

The interest free debt to Armidale Dumaresq Council is recorded at net present value. The total amount owing at 30 June 2014 is \$252,000, including GST, and is repayable over the next 6 years in equal instalments. Armidale Dumaresq Council 20 year funding agreement is conditional on the repayment of this.

NEW ENGLAND REGIONAL ART MUSEUM LIMITED

ABN 47 131 297 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 expected to be fully expended by 30 June 2015 with balance at 30 June 2014 being \$6,818.

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: Fair Value Measurement

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

<u>Parent</u>	Level 1	Level 2	Level 3	TOTAL
Financial assets				
Property, plant and equipment	2,971,101	-	-	2,971,101
Available-for-sale financial assets	-	-	-	-
	<u>\$ 2,988,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,971,101</u>
<u>Consolidated</u>				
Financial assets				
Property, plant and equipment	27,276,517	-	-	27,276,517
Available-for-sale financial assets	485,190	-	-	485,190
	<u>\$27,761,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$27,276,517</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 2014**

In the directors' opinion

1. The attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

On behalf of the directors



Director

Dated 2.12.2014



Director

**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 2014, 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 Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) 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 Australian Charities and Not-for-profits Commission Act 2012. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been provided to the directors of New England Regional Art Museum Limited on 2 December 2014, 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 is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Crowe Horwath Central North



Ian Brooks
Registered Company Auditor (ASIC RAN 411019)
90 Rusden Street
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Dated: 2 November 2014



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