

**We're a part of
your world.**

**New England Regional Art Museum
Limited**

ABN: 47 131 297 731

Financial Statements

For the Year Ended 31 December 2025

The logo for Forsyths, featuring the word "Forsyths" in a serif font with a yellow arc above the "y".

New England Regional Art Museum Limited

ABN: 47 131 297 731

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For the Year Ended 31 December 2025

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New England Regional Art Museum Limited

ABN: 47 131 297 731

Directors' Report For the year ended 31 December 2025

The directors present their report, together with the financial statements of the consolidated entity, being the Company and its controlled entities, for the financial year ended 31 December 2025.

The financial statements cover New England Regional Art Museum Limited as a consolidated entity consisting of New England Regional Art Museum Limited and the entities it controlled at the end of, or during the period.

The financial statements are presented in Australian dollars, which is New England Regional Art Museum Limited and its controlled entities' functional and presentation currency. New England Regional Art Museum Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. New England Regional Art Museum Limited is registered with the Australian Charities and Not-for-profits Commission.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 08 May 2026.

General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Dr Robert Clarke	Chair
Qualifications	BA (Hons) (UNE) PhD(ANU) FIML Fellow, Australian Institute of Managers and Leaders, Former Fellow, Institute of Chartered Accountants in Australia, Cultural Director
Experience	Managing Director, Australian National Academy of Music (Retired) Managing Director Adelaide Symphony Orchestra (Retired)
Kim Taylor	
Qualifications	B Pharm (USYD), MBA (MU), MAICD Senior Executive International Commercial Management
Experience	Head of Johnson & Johnson, Southeast Asia (Retired); Johnson & Johnson Company Group Chairman, Asia Pacific (Retired)
Patrick Bradley	
Qualifications	Business Manager at The Armidale School (Retired)
Experience	AFSM, Member of the Board of Phoenix Foundry, Volunteer NSW Rural Fire, awarded the Australian Fire Service Medal
Robert Faithfull	
Qualifications	Secretary, Resigned 27 April 2025 Bachelor of Financial Administration (UNE), Master of Business Administration (Deakin), Fellow Certified Practising Accountant
Experience	Director Faithful Business Advisory, Former COO Calrossy Anglican School, CFO Porta Group Melbourne
Fred Dangar	
Qualifications	Senior Project Manager University of New England
Experience	Director Strategic Business Programs – NSW TransLink Colonel in the Australian Army (Retired) Experienced in Government sectors including senior executive roles

Directors' Report

For the year ended 31 December 2025

Information on directors continued

Geraldine Perkins

Qualifications Creative communications specialist
Experience Communications consultant for various NSW businesses and Tamworth City Council. Chair Entertainment & Marketing Committee, Royal Theatre Quirindi. Adult Education Teacher

Paul Gaddes

Qualifications Deputy Chair
Bachelor of Engineering (Hons.) in Aerospace Engineering – University of New South Wales, Australia
Post-Graduate Diploma in Retail Studies – University of Stirling, United Kingdom
Experience Global technology professional with 25+ years of experience in driving innovation & change across highly competitive software and technology industries. Result-oriented, multi-market leader who leverages the ability to align the right people with the right projects to generate unparalleled results. Consistently delivers positive P&L performances. Excellent teambuilding and communications skills. First hand exposure to business operations in multiple global locations.

Allison Bellinger

Qualifications Lawyer, Art Gallery Director
Experience Art Gallery director at A.K Bellinger Gallery since 2016

Charlotte Murray

Qualifications BA Hons in Business Management from University of Nottingham
Experience Group Transformation Lead for the Woolworths Group and has 15 years of senior experience in strategy and business case development, and change management. She has previously held the position of Head of Transformation and Project Management at Coles Express, and worked on similar projects with EY London and EY Sydney

Adam Marshall

Qualifications Senior Manager Government Relations, Origin Energy, Former NSW Minister and Member of Parliament
Experience Parliamentary Secretary for Regional Homes and Infrastructure, Minister for Western NSW, Minister for Agriculture, Minister for TAFE NSW (Assistant Minister for Skills), Minister for Tourism and Major Events, Parliamentary Secretary for Northern NSW and Renewable Energy

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

Company secretary

Rachael Parsons held the position of Company secretary at the end of the financial year.

Principal activities

The principal activities of the consolidated entity during the financial year were the operations of a regional cultural facility which manages and cares for nationally significant art collections, and which plans and delivers a dynamic calendar of exhibitions with associated public and educational programs.

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

Directors' Report

For the year ended 31 December 2025

Short term objectives

The Consolidated Entity's short-term objectives included continued delivery of programs resulting in visitation satisfaction and growth. The NERAM Board and Executive continued work on the Build a New NERAM program, including master planning and developing a business case and also specific focus on fundraising.

Long term objectives

The Consolidated Entity's long-term objectives are to make the New England Regional Art Museum the premier regional art museum in Australia and to ensure the long-term preservation, growth and presentation of NERAM's outstanding art collections.

Strategy for achieving the objectives

Ensure that the New England Regional Art Museum is a thriving artistic facility that will enrich the cultural and artistic experience of visitors and the community of New England through exhibitions, education programming and artistic activities.

How principal activities assisted in achieving the objectives

New England Regional Art Museum Limited (NERAM), maintains a core purpose to connect our community and visitors to art, culture, social engagement opportunities and education. NERAM's annual program includes approximately thirty exhibitions that interpret and highlight NERAM's outstanding collections, brings nationally significant art to the region in the form of touring programs, produces special projects that focus on contemporary art, and supports the development and promotion of local artists. NERAM's exhibition program is complemented and expanded by an expansive variety of engagement and education programs that includes workshops, art classes, lectures, and events.

In 2025 NERAM delivered a comprehensive exhibition program including 3 exhibitions curated from the NERAM Collections, 3 major touring exhibitions, 4 major special projects and 14 exhibitions showcasing work by contemporary artists with a strong focus on artists from regional NSW. 2025 exhibition highlights included:

- ***The Interior: Natalya Hughes***, an immersive installation combining sculptural seating, richly patterned soft furnishings, and uncanny object d'art, nestled around a hand painted mural to generate a stimulating space to unpack our collective and unconscious biases. Natalya Hughes, one of Australia's most exciting mid-career artists, is known for her explorations of decorative and ornamental traditions and their associations with the feminine, the human form, and excess. Recent bodies of work investigate the relationship between Modernist painters and their anonymous women subjects. ***The Interior was a travelling exhibition organised by Institute of Modern Art (IMA), toured by Museums & Galleries Queensland.***
- ***Vibrations: Abstract Women in the Collection*** showcased key works from the New England Regional Art Museum's holdings by leading contemporary women artists. Featuring figures such as Ann Thomson, Vivienne Binns, Marion Borgelt and Judy Cassab, the exhibition highlighted the significant contribution of women artists to Australian contemporary abstract art
- ***The Landscape of Giving: Celebrating 10 Years of the Adopt an Artwork Program*** marked a decade of community-supported conservation at NERAM. Showcasing artworks restored through the initiative, the exhibition highlighted the program's impact—over 208 works conserved and more than \$460,000 raised—while offering audiences a rare behind-the-scenes insight into collection care. The exhibition also highlighted the individual and group supporters that have made Adopt an Artwork such a phenomenal success.
- ***2025 Galah Regional Photography Prize*** presented 42 finalist works by 37 regional photographers from across Australia at NERAM. Established to celebrate and advance excellence in regional photography, the biennial prize highlighted the diversity and strength of contemporary practice beyond metropolitan centres. Presented in partnership with Galah Magazine.
- ***Echoes of the Earth: Tribal and Desert Art*** brought together Australian First Nations and Indian tribal artists in a powerful cross-cultural dialogue. Developed in partnership with national and international collaborators, the exhibition celebrated contemporary practices grounded in ancestral knowledge, exploring shared connections to land, spirit and storytelling across continents

Directors' Report

For the year ended 31 December 2025

How principal activities assisted in achieving the objectives continued

To deepen community and visitor engagement, NERAM delivered a vibrant program of cultural and social events, including the Packsaddle Lecture Series, Seniors Festival activities, Winter Blooming Festival, Black Gully Festival and the Culture Club Open Studio series. The Museum also sustained its strong commitment to lifelong arts learning through the NERAM Creative Learning program, offering curriculum-linked school visits alongside a diverse suite of art classes and creative workshops for participants of all ages.

NERAM thrives with the dedicated support of its community who generously donate time, expertise, and funding to support NERAM's operation and future growth. NERAM has 100 volunteers who contribute to front of house activities, exhibition installation, event catering, library, and archive management, fundraising and project research. Through our 2025 annual appeal, NERAM's community of donors contributed \$120,765 across three priority areas the NERAM Foundation, education and cultural program and building improvements. An additional \$20,000 was raised through The NERAM Curator's Circle in support the exhibition programs at NERAM including funding the curator staff position.

Performance measures

The following Critical Success Factors and Key Performance Measures (KPIs) were used by the consolidated entity to monitor performance in 2025.

CSF1: Sustainable and fiscally responsible business practices

Consists of the following strategic objectives:

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

CSF2: Building and strengthening NERAM community relationships and partnerships

Consists of the following strategic objectives:

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

Directors' Report

For the year ended 31 December 2025

Performance measures continued

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

Consists of the following strategic objectives:

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

CSF4: A skilled and quality workforce

Consists of the following strategic objectives:

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

Members' guarantee

New England Regional Art Museum Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10.

At 31 December 2025 the collective liability of members was \$ 2,580 (2024: \$ 2,730).

Events after the reporting date

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

Future developments and results

NERAM will continue to develop programming that is broadly appealing to visitors and our community. A dedicated focus over the next three years is to expand national awareness of NERAM through high profile exhibitions and programs.

The NERAM Board and Director will continue to engage in master planning and business case process to develop a plan for a major building works project intended to modernise and elevate the Museum in order to meet current museum requirements and standards, improve the energy efficiency and sustainability of the building, meet current WHS and access standards, prepare for a doubling of visitor numbers, and to ensure positive visitor experiences.

These plans along with a dedicated focus on fundraising aim to support the next phase of NERAM's development.

Directors' Report
For the year ended 31 December 2025

Meeting of Directors

During the financial year, 6 meetings of directors (excluding committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Robert Clarke	6	6
Kim Taylor	6	6
Patrick Bradley	6	6
Robert Faithfull	2	2
Fred Dangar	6	6
Geraldine Perkins	6	5
Paul Gaddes	6	6
Allison Bellinger	6	3
Charlotte Murray	6	4
Adam Marshall	6	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2025 has been received and can be found on page 7 of the financial report.

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

Director: 
 Dr Robert Clarke

Director: 
 Kim Taylor

Dated 28 April 2026

ARMIDALE

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New England Regional Art Museum Limited

ABN: 47 131 297 731

Auditor's 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 and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025, 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* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Forsyths

Forsyths Business Services Pty Ltd

Paul Cornall
Principal
Registered Company Auditor No. 227604

121 Rusden Street, Armidale NSW

28 April 2026

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Statement of Comprehensive Income For the Year Ended 31 December 2025

		2025	2024
	Note	\$	\$
Sales revenue	4	193,457	202,213
Cost of sales		(69,873)	(81,133)
Gross profit		123,584	121,080
Annual Income	4	607,538	719,271
Other income	4	968,470	671,690
Administrative expenses		(106,693)	(96,267)
Board expenses		(5,267)	(4,519)
Collection expense		(90,635)	(112,453)
Depreciation and Amortisation		(113,672)	(115,069)
Employee benefits expense	5	(567,181)	(566,988)
Finance costs		(6,016)	(6,065)
Marketing expenses		(10,746)	(11,576)
Occupancy costs		(116,874)	(138,361)
Other expenses		(15,649)	(11,628)
Project grant expense		(83,770)	(126,219)
Exhibition & Public Program expense		(102,948)	(101,903)
Surplus for the year		480,141	220,993
Other comprehensive income			
Net fair value gain/(loss) on remeasurement of investments in listed shares		124,559	79,132
Revaluation gain/(loss) on Collection assets		392,418	4,139
Total comprehensive income for the year		997,118	304,264

The accompanying notes form part of these financial statements.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 73190

Statement of Financial Position

As At 31 December 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,928,211	1,656,912
Trade and other receivables	7	63,132	23,534
Inventories	8	38,554	43,377
Other Assets		12,708	23,721
TOTAL CURRENT ASSETS		2,042,605	1,747,544
NON-CURRENT ASSETS			
Property, plant and equipment	9	39,970,928	39,490,643
Right-of-use assets	10	111,310	122,845
Other financial assets	11	1,518,305	1,338,837
TOTAL NON-CURRENT ASSETS		41,600,543	40,952,325
TOTAL ASSETS		43,643,148	42,699,869
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	56,339	79,141
Borrowings	13	50,000	-
Employee benefits	14	100,723	86,157
Contract liabilities	15	330,793	291,323
Lease liabilities	10	11,574	11,574
TOTAL CURRENT LIABILITIES		549,429	468,195
NON-CURRENT LIABILITIES			
Borrowings	13	-	100,000
Employee benefits	14	13,576	35,550
Lease liabilities	10	97,914	111,013
TOTAL NON-CURRENT LIABILITIES		111,490	246,563
TOTAL LIABILITIES		660,919	714,758
NET ASSETS		42,982,229	41,985,111
EQUITY			
Accumulated surplus		40,641,232	40,560,031
Asset revaluation reserve	16	1,530,683	1,138,265
Financial asset reserve	16	240,400	115,841
Adopt an Artwork Funds Reserve	16	82,011	74,239
Helen Dangar Memorial Bursary Reserve	16	106,862	96,735
Building Reserve	16	317,524	-
Education Reserve	16	63,517	-
TOTAL EQUITY		42,982,229	41,985,111

The accompanying notes form part of these financial statements.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

**Statement of Changes in Equity
For the Year Ended 31 December 2025**

2025

	Accumulated surplus	Asset Revaluation Reserve	Financial Asset Reserve	Adopt an Artwork Funds Reserve	Helen Dangar Memorial Bursary Reserve	Building Reserve	Education Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2025	40,560,031	1,138,265	115,841	74,239	96,735	-	-	41,985,111
Surplus/(Deficit) for the year	480,141	-	-	-	-	-	-	480,141
Revaluation increment (decrement)	-	392,418	124,559	-	-	-	-	516,977
Contributions for the year	(17,899)	-	-	7,772	10,127	-	-	-
Transfers to reserve	(381,041)	-	-	-	-	317,524	63,517	-
Balance at 31 December 2025	40,641,232	1,530,683	240,400	82,011	106,862	317,524	63,517	42,982,229

2024

	Accumulated surplus	Asset Revaluation Reserve	Financial Asset Reserve	Adopt an Artwork Funds Reserve	Helen Dangar Memorial Bursary Reserve	Building Reserve	Education Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	40,357,616	1,134,126	36,709	67,381	85,015	-	-	41,680,847
Surplus/(Deficit) for the year	220,993	-	-	-	-	-	-	220,993
Revaluation increment (decrement)	-	4,139	79,132	-	-	-	-	83,271
Contributions for the year	(18,578)	-	-	6,858	11,720	-	-	-
Balance at 31 December 2024	40,560,031	1,138,265	115,841	74,239	96,735	-	-	41,985,111

The accompanying notes form part of these financial statements.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Statement of Cash Flows For the Year Ended 31 December 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,489,487	1,202,057
Payments to suppliers and employees	(1,192,671)	(1,253,827)
Interest received	25,611	35,068
Net cash provided by/(used in) operating activities	23 <u>322,427</u>	<u>(16,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	-	253,732
Dividends received	96,406	85,272
Purchase of property, plant and equipment	(29,525)	(11,663)
Purchase of investments	(54,910)	(324,155)
Net cash provided by/(used in) investing activities	<u>11,971</u>	<u>3,186</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(50,000)	-
Payment of finance lease liabilities	(13,099)	(12,732)
Net cash provided by/(used in) financing activities	<u>(63,099)</u>	<u>(12,732)</u>
Net increase/(decrease) in cash and cash equivalents held	271,299	(26,248)
Cash and cash equivalents at beginning of year	1,656,912	1,683,160
Cash and cash equivalents at end of financial year	6 <u>1,928,211</u>	<u>1,656,912</u>

The accompanying notes form part of these financial statements.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB'), and the *Australian Charities and Not-for-profits Commission Act 2012* of the consolidated entity only.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The consolidated financial statements incorporate the assets and liabilities of all control entities of New England Regional Art Museum Limited ('company' or 'parent entity') as at 31 December 2025 and the results of all controlled entities for the year then ended. New England Regional Art Museum Limited and its controlled entities together are referred to in these financial statements as the 'consolidated entity'.

The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

The consolidated entity during the current financial year has adjusted the mapping between the Income Statement line items for better relevance to the users of the financial statements. This has resulted in the change in comparatives for individual line items, however there has been no change to overall revenue and expenses for the previous financial year.

The controlled entities are:

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

2 Summary of Material Accounting Policies

(a). Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the consolidated entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(a) Revenue and other income continued

Revenue from contracts with customers continued

2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the consolidated entity have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the consolidated entity are:

Sales revenue

Sales revenue is derived from public program events and shop sales. Revenue is recognised when the company satisfies its performance obligation by providing the goods and services to the customer.

Grant revenue

Grants are received by the company from local and state government, philanthropic trusts, and other organisations for the purposes of capital and operational projects. Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Other income

Donations

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

Dividends

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

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(a) Revenue and other income continued

Other income continued

Other income is recognised on an accruals basis when the consolidated entity is entitled to it.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the consolidated entity presents the contract as a contract asset, unless the consolidated entity's rights to that amount of consideration are unconditional, in which case the consolidated entity recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the consolidated entity presents the contract as a contract liability.

(b) Income Tax

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

(c) Cash and cash equivalents

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

(d) Financial instruments

Financial instruments are recognised initially on the date that the consolidated entity becomes party to the contractual provisions of the instrument.

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

Trade Receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(d). Financial instruments continued

Investments and other financial assets continued

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, the carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(e). Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f). 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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(f). Property, plant and equipment continued

Collection Assets

Collection assets (including artworks) are carried at fair value based on independent or Director's valuations, and in line with the company Valuation and Stocktaking Policy. The increase in the value of these assets is recorded in other comprehensive income and accumulated in the asset revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decreases of the same asset previously recognised in profit or loss. Items acquired for nil or nominal consideration have been recorded at the fair value at acquisition date. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

The Valuation and Stocktaking Policy provides for the revaluation of the Collections to be undertaken by an independent qualified valuer in-line with the set valuation schedule which staggers valuations over a 6 or 10 year cycle. The assets are categorised by Collection:

- the Howard Hinton Collection
- the Chandler Coventry Collection
- the NERAM & Armidale City Collection and
- the Museum of Printing Collection.

The Hinton, Coventry and NERAM & Armidale City Collections (paintings only) are valued by an independent valuer every 6 years per the schedule. The non-painting assets from the NERAM & Armidale City Collection and the Museum of Printing Collection are revalued by the Art Museum Director every 6 years and 10 years, respectively. The Directors have benchmarked valuation practices with other sizeable institutions holding printing equipment assets, large volumes of individual low-value print items and ephemera, and are satisfied that an informed valuation conducted by internal curatorial and collections experts is sufficient.

Notwithstanding the revaluation periods, if there are indicators that fair value has changed, then a revaluation may be scheduled sooner.

Contributed assets

The Company receives assets for nil or nominal consideration in order to further its objectives. These assets are initially recorded at fair value through profit and loss. Historically, the Company acquired a majority of its collection assets for nil value and hence they were recorded through profit and loss and not asset revaluation reserve.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(f). Property, plant and equipment continued

Fixed asset class	Depreciation rate
Plant and Equipment	5% - 33%
Furniture, Fixtures and Fittings	5% - 33%

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

(g). Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h). Leases

At the lease commencement, the consolidated entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the consolidated entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the consolidated entity's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the consolidated entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(h). Leases continued

Exceptions to lease accounting

The Consolidated Entity has elected to apply the exceptions to lease accounting for both short-term and peppercorn leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Consolidated Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i). Employee benefits

Provision is made for the consolidated entity's liability for annual leave and long service leave arising from services rendered by employees to the balance date.

All liabilities for annual leave have been included at their nominal value, including allowance for applicable on-costs. Long service leave is provided on a pro-rata basis for all employees who have completed 1 full year of service adjusted by probability factors relevant to the number of years service and the likelihood that the employee will ultimately qualify for a relevant benefit. The provision is based on current pay rates plus applicable on-costs indexed to expected future entitlement dates and then discounted to current values.

(j). Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(k). Volunteer services

No amounts are included in the financial statements for services donated by volunteers as the amounts are not considered material to the consolidated results and difficult to measure accurately.

(l). 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 principal 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 interests. 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.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies continued

(m). Adoption of new and revised accounting standards

The Consolidated Entity has adopted all standards which became effective for the first time at 31 December 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the consolidated entity.

(n). New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the consolidated entity.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - Valuation of Collection Assets

The Collection assets are valued in-line with the Valuation and Stocktaking Policy which provides for the revaluation of each Collection to be undertaken according to the set valuation schedule, which staggers valuations over a 6 or 10 year cycle as described in Note 2(f). If there are indicators that fair value has changed, then a revaluation may be scheduled sooner. The valuations are based on observable market information and the critical assumptions adopted in determining the valuation include the assessment of recent auctions and the significance and quality of the work. The non-painting assets from the NERAM & Armidale City Collection and the Museum of Printing Collection are revalued by the Art Museum Director every 6 years and 10 years, respectively. The Directors have benchmarked valuation practices with other sizeable institutions holding printing equipment assets, large volumes of individual low-value print items and ephemera, and are satisfied that an informed valuation conducted by internal curatorial and collections experts is sufficient.

Key estimates - provisions

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

As discussed in note 2(i), 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.

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements For the Year Ended 31 December 2025

4 Revenue and Other Income

Revenue from contracts with customers

	2025	2024
	\$	\$
Sales revenue - recognised at a point in time		
- Shop sales	127,830	125,159
- Venue hire fees	30,229	30,704
- Consignment sales	7,753	18,773
- Cafe Income	27,645	27,577
	<u>193,457</u>	<u>202,213</u>
Grant revenue - recognised over time		
- Armidale Regional Council	413,768	396,921
- Arts NSW	80,000	80,000
- Other organisations	113,770	242,350
	<u>607,538</u>	<u>719,271</u>
Total revenue from contracts with customers	<u>800,995</u>	<u>921,484</u>

	2025	2024
	\$	\$
Other Income		
- Donations	377,934	214,683
- Insurance recoveries	12,639	15,114
- Sponsorships	24,000	20,000
- Dividend income	72,643	64,317
- Franking credits	23,763	20,955
- Member subscriptions	290	130
- Interest	25,611	35,068
- Exhibitions & Public Programs	164,009	171,389
- Sundry income	3,645	1,338
- Insurance Claim payout	103,456	-
- Donations - Books	-	2,628
- Donations - Artworks	160,480	126,068
Total other income	<u>968,470</u>	<u>671,690</u>

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements For the Year Ended 31 December 2025

5 Result for the Year

The result for the year includes the following specific expenses:

	2025	2024
	\$	\$
Employee benefit expenses		
Salaries and wages	493,870	500,110
Contractors	-	1,020
Superannuation contributions	57,546	56,002
Workers compensation	10,183	8,344
Other short term costs	5,582	1,512
	<u>567,181</u>	<u>566,988</u>

6 Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash on hand	530	2,105
Cash at Bank	1,112,681	938,002
Term Deposits	815,000	716,805
	<u>1,928,211</u>	<u>1,656,912</u>

7 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	48,226	11,704
Other receivables	14,906	11,830
	<u>63,132</u>	<u>23,534</u>

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

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

8 Inventories

	2025	2024
	\$	\$
CURRENT		
At cost:		
Stock on hand - shop stock	21,075	20,097
Exhibition	17,479	23,280
	<u>38,554</u>	<u>43,377</u>

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements For the Year Ended 31 December 2025

9 Property, plant and equipment

	2025	2024
	\$	\$
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	57,900	47,400
Plant and equipment		
At cost	797,739	782,090
Accumulated depreciation	(543,738)	(508,002)
Total plant and equipment	<u>254,001</u>	<u>274,088</u>
Furniture, fixtures and fittings		
At cost	972,197	968,822
Furniture, Fixtures and Fittings	(483,385)	(416,985)
Total furniture, fixtures and fittings	<u>488,812</u>	<u>551,837</u>
COLLECTION		
At fair value		
Hinton Collection	30,538,087	30,538,087
NERAM Collection	5,220,333	5,059,853
Coventry Collection	3,023,200	2,632,677
Museum of Printing Collection	249,126	247,232
Armidale City Collection	139,469	139,469
Total Collection assets	<u>39,170,215</u>	<u>38,617,318</u>
Total property, plant and equipment	<u>39,970,928</u>	<u>39,490,643</u>

Movements in Carrying Amounts

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

	Capital Works in Progress	Plant & Equipment	Fitout & Fittings	Collection Assets	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2025					
Balance at beginning of period	47,400	274,088	551,837	38,617,318	39,490,643
Additions and contributed collection assets	10,500	15,649	3,376	160,480	190,005
Depreciation	-	(35,736)	(66,401)	-	(102,137)
Revaluation increase recognised in equity	-	-	-	392,417	392,417
Balance at the end of the year	<u>57,900</u>	<u>254,001</u>	<u>488,812</u>	<u>39,170,215</u>	<u>39,970,928</u>

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements For the Year Ended 31 December 2025

10 Right-of-use assets

	2025	2024
	\$	\$
Buildings	191,745	191,745
Amortisation charge	<u>(80,435)</u>	<u>(68,900)</u>
	<u>111,310</u>	<u>122,845</u>

Movements in carrying amounts

	Buildings
	\$
Year ended 31 December 2025	
Balance at beginning of the year	122,845
Amortisation	<u>(11,535)</u>
Balance at end of year	<u>111,310</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2025					
Lease liabilities	11,574	57,872	40,042	109,488	109,488
2024					
Lease liabilities	11,574	57,872	53,141	122,587	122,587

11 Other Financial Assets

Financial assets at fair value

	2025	2024
	\$	\$
NON-CURRENT		
Listed investments - fair value through other comprehensive income	<u>1,518,305</u>	<u>1,338,837</u>

NERAM Ltd and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2025

12 Trade and Other Payables

	2025	2024
	\$	\$
CURRENT		
Trade payables	14,930	24,545
GST payable	12,110	8,776
Employee benefits	26,480	19,327
Sundry payables and accrued expenses	2,819	26,493
	<u>56,339</u>	<u>79,141</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Borrowings

	2025	2024
	\$	\$
CURRENT		
Unsecured liabilities:		
Solar loan	50,000	-
	<u>50,000</u>	<u>-</u>
	2025	2024
	\$	\$
NON-CURRENT		
Unsecured liabilities:		
Solar loan	-	100,000
	<u>-</u>	<u>100,000</u>

This is an unsecured interest free loan until it becomes collectable by 30 June 2026. If not repaid on or before this date interest is payable at 20% from the commencement of the loan (13 September 2016). Funds to repay this loan have been accumulated on an ongoing basis and are held on deposit (Solar Term Deposit). The Directors are satisfied that the loan can be repaid, in full, before the due date. Loan has not been treated in accordance with Australian Accounting Standards as Management considers it to be immaterial.

14 Employee Benefits

	2025	2024
	\$	\$
Current liabilities		
Annual leave	100,723	86,157
	<u>100,723</u>	<u>86,157</u>
Non-current liabilities		
Long service leave	13,576	35,550
	<u>13,576</u>	<u>35,550</u>

NERAM Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Contract Balances

Contract assets and liabilities

The Consolidated Entity has recognised the following contract assets and liabilities from contracts with customers:

Current contract liabilities

	2025	2024
	\$	\$
CURRENT		
Funding in advance	153,399	147,835
Adopt an Artwork	109,456	98,342
Other contract liabilities	67,938	45,146
	<u>330,793</u>	<u>291,323</u>

16 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on collection assets held under the revaluation model.

Helen Dangar Memorial Bursary Reserve

Helen Dangar Memorial Bursary Reserve records the value of the balance of the Helen Dangar Memorial Bursary sub-fund managed on behalf of NERAM.

Adopt an Artwork Funds Reserve

Adopt an Artwork Funds Reserve records the value of the balance of the Adopt and Artwork sub-fund managed on behalf of NERAM.

Financial asset reserve

Change in fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are transferred to other comprehensive income on disposal of the investment or when an impairment arises.

Education Reserve

Education reserve records the value of the balances of the Education funds donated and managed on behalf of NERAM

Building Reserve

Building funds records the donations and fundraising received to be utilised for a new building in future years.

NERAM Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2025

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding and obligations of the Company. At 31 December 2025 the number of members was 258 (2024: 273).

18 Key Management Personnel Disclosures

As there is a single key management person, non-compliance with AASB 124 has been chosen so as to not breach the Company's confidentiality policy.

19 Going concern and economic dependence

New England Regional Art Museum Limited is economically dependent on the Armidale Regional Council under a 20 year funding agreement. At the date of this report, the Board of Directors has no reason to believe the Armidale Regional Council will not continue to support New England Regional Art Museum Limited, and accordingly, the financial statements have been prepared on a going concern basis.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business and economic activities and the realisation of assets and discharge of liabilities in the normal course of business. In arriving at this position, in the opinion of the directors the Consolidated Entity will, based on varying cash flow forecasts, have access to sufficient funds to meet administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

20 Fair Value Measurement

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2025				
Recurring fair value measurements				
Collection assets	-	39,170,216	-	39,170,216
Investments in listed securities	1,518,305	-	-	1,518,305

NERAM Ltd and Controlled Entities

ABN: 47 131 297 731

Notes to the Financial Statements

For the Year Ended 31 December 2025

20 Fair Value Measurement continued

Fair value hierarchy continued

	Level 1	Level 2	Level 3	Total
31 December 2024	\$	\$	\$	\$
Recurring fair value measurements				
Collection assets	-	38,617,318	-	38,617,318
Investments in listed securities	1,338,837	-	-	1,338,837

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2025 (31 December 2024:None).

22 Related Parties

The consolidated entity's main related parties are its key management personnel - refer to Note 18, and other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Howard Hinton Trust provides an annual distribution to NERAM Ltd resulting from its investment gains for the purpose of management of its Collection assets, as required by the Trust Deed. The total distribution paid was \$16,699 (2024: \$15,101)

The NERAM Foundation provides annual distribution from the NERAM Foundation and each sub-fund managed, to NERAM Ltd, according to the Taxation Administration (Public Ancillary Fund) Guidelines 2022. The Guidelines stipulate a distribution of no less than 4% of net assets at the end of the prior year must be made annually to the Foundation and each sub-fund. The total distribution paid was \$43,252 (2024: \$38,889).

There were no loans to or from related parties at the current and previous reporting period.

NERAM Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2025

23 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

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

	2025	2024
	\$	\$
Surplus for the year	480,141	220,993
Cash flows excluded from profit attributable to operating activities		
Dividends	(96,406)	(85,272)
Non-cash flows in profit:		
- depreciation and amortisation	113,672	114,932
- non-cash attributed additions to collection assets	(160,480)	(128,395)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(39,598)	(9,162)
- (increase)/decrease in other assets	11,013	26,317
- (increase)/decrease in inventories	4,823	23,359
- increase/(decrease) in trade and other payables	(22,800)	(25,397)
- increase/(decrease) in contract liabilities	39,470	(153,441)
- increase/(decrease) in provisions	(7,408)	(636)
Cashflows from operations	<u>322,427</u>	<u>(16,702)</u>

Non-cash financing and investing activities

During the year the Company recognised the value of artworks and books contributed to the NERAM Collection and the Howard Hinton Collection for \$160,480. These items were acquired for Nil consideration and therefore are not reflected in the Statement of Cash Flows.

24 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 08 May 2026 by the Board of Directors.

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

25 Statutory Information

The registered office and principal place of business of the company is:

New England Regional Art Museum Limited
106 - 114 Kentucky Street
Armidale NSW 2350

New England Regional Art Museum Limited


ABN: 47 131 297 731

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Director

Dr Robert Clarke

Director

Kim Taylor

Dated 28 April 2026

ARMIDALE

121 Rusden Street
PO Box 114
Armidale NSW 2350
Phone 02 6773 8400
Fax 02 6772 9957
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New England Regional Art Museum Limited

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New England Regional Art Museum Limited (the Company) and its subsidiaries (the consolidated entity), which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the consolidated entity is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

New England Regional Art Museum Limited

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

New England Regional Art Museum Limited

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

our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forsyths



Paul Cornall
Principal
Registered Company Auditor No. 227604

121 Rusden Street, Armidale NSW
28 April 2026