

# **Performance Report**

Wellington Regional Orchestra Foundation Inc

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# Entity Information

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

### Legal Name of Entity

Wellington Regional Orchestra Foundation Inc

### Other Name of Entity

Orchestra Wellington (trading name)

### Entity Type and Legal Basis

Incorporated Society and Registered Charity

### Registration Number

CC23685

### Entity's Purpose or Mission

The primary function of Orchestra Wellington is to:

1. Provide essential orchestral "infrastructure" for Wellington, particularly by providing orchestral services to opera, ballet, choirs and other activities requiring live orchestral accompaniment.
2. Maximise community access to orchestral music as widely as possible, including through:
  - a programme of affordable self-presented concerts;
  - community based outreach through orchestral music, such as the Music to Schools and family programmes, and support for local Sistema initiatives.

### Entity Structure

Orchestra Wellington is governed by the Board of Directors and has a small administrative team of 6 people (4.5 FTE) led by the General Manager. The Music Director and Concertmaster are contract positions, and all other musicians are employed as casual employees.

### Main Sources of Entity's Cash and Resources

Orchestra Wellington receives core funding from Creative New Zealand and the Wellington City Council, and raises further funds from the Regional Amenities Fund as well as from trusts, foundations, sponsors and individual donors.

### Main Methods Used by Entity to Raise Funds

Orchestra Wellington has a dedicated sponsorship manager (0.5 FTE) to raise funds through grant applications, donation campaigns, and relationships with corporate sponsors.

### Entity's Reliance on Volunteers and Donated Goods or Services

Orchestra Wellington does not rely to a great extent on volunteers with the exception of the Board of Directors who are all volunteers.

### Physical Address

Level 5, 40 Taranaki Street, Wellington 6142



**Postal Address**

PO Box 11-977, Wellington, New Zealand, 6142

**Additional Information**

Phone: 04 801 7810

Website: [www.orchestrawellington.co.nz](http://www.orchestrawellington.co.nz)



# Approval of Financial Report

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

The Directors are pleased to present the approved financial report including the historical financial statements of Wellington Regional Orchestra Foundation Inc for year ended 31 December 2019.

APPROVED

  
\_\_\_\_\_

Chairperson

Name Raymond Ahipene-Merced

Date 7.5.20

  
\_\_\_\_\_

Board Member

Name Murray Newman

Date 7/5/20

# Statement of Service Performance

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

### Description of Entity's Outcomes

A vibrant programme of orchestral concerts in Wellington, our country's cultural capital. Thriving music programmes for children in low-decile schools and meaningful interactions between children and musicians.

	2019	2018
<b>Description and Quantification of the Entity's Outputs</b>		
Audience members experience the thrill of a live Orchestra Wellington performance at the Michael Fowler Centre in Wellington	11,944	11,164
Audience members experience the thrill of a live orchestral performance at the ballet and the opera	12,000	15,000
Wellingtonians experience orchestral music at free and low-cost shows for the whole family	20,154	14,100
Children from low-decile schools experience quality live music in their schools	11,538	4,465
Children from low-decile schools receive free music lessons (in-school and holiday programme)	456	165

### Additional Information: Feedback

"To have Orchestra Wellington perform for free in Porirua with a Pacific choir and a largely Polynesian youth orchestra to a truly diverse audience was history in the making, and marks a turning point in creating genuinely inclusive and accessible musical events. Virtuoso Strings players and their whanau felt huge pride in being a part of this occasion and we thank Orchestra Wellington for creating this opportunity." **Liz Sneyd - Director Virtuoso Strings.**

"There is great comfort in hiring Orchestra Wellington as it assures us that we will be provided with excellent players and services. The players were a joy to work with, bringing a great deal of skill and lifting our performance to an exceptionally high level." **Brent Stewart - Director Orpheus Choir Wellington.**

"Your show connected NZ history with classical music in a fun, engaging way. Also it gave the exposure to instruments the students have never seen or heard of, giving them an experience we as teachers cannot offer. It's a wonderful experience and even if it sparks just one student to learn more in this area that is a blessing." **Teacher whose school participated in First Meetings - Ngā Tūtakitanga Tuatahi, our Music to Schools programme.**

"The blending of traditional Maori instruments with brass and percussion via a 'powhiri' was a great way to learn about both kinds of instruments. Teachers would not be able to replicate anything like this. Many of our children aspire to be musicians so it was totally relevant." **Teacher whose school participated in First Meetings - Ngā Tūtakitanga Tuatahi, our Music to Schools programme.**

# Statement of Financial Performance

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

	NOTES	2019	2018
<b>Revenue</b>			
<b>Revenue</b>			
Concert Takings and Programme Sales		268,060	309,010
Creative New Zealand		457,728	402,000
Grants and Donations	11	47,607	55,391
Miscellaneous Income		3,946	1,351
Sponsorship	12	212,852	138,585
User Fees		543,002	431,049
The Community Trust of Wellington		8,000	15,000
Wellington City Council Grants	13	282,380	278,415
Wellington Regional Amenities Fund		70,000	135,000
<b>Total Revenue</b>		<b>1,893,576</b>	<b>1,765,800</b>
<b>Total Revenue</b>		<b>1,893,576</b>	<b>1,765,800</b>
<b>Less Direct Costs</b>			
<b>Direct Costs</b>			
Amenities Orchestral		1,692	940
Artists' Expenses		15,637	27,338
Artists' Fees		160,282	170,844
Audition Expenses		2,315	2,670
Concert Promotion		56,529	56,444
Equipment Cartage/Freight		25,985	24,234
Hire Halls		149,890	120,965
Hire Music & Arranging		19,933	9,740
Hire Orchestral Equipment		8,319	12,947
Misc Orchestral Expenses		1,157	1,155
Player Fees		836,758	662,997
Production Accommodation		11,277	9,522
Production Staff		5,530	9,227
Production Transport		23,447	17,295
Rehearsal Venues		8,766	9,008
Ticketing Costs		23,997	46,683
VR Project		55,728	-
<b>Total Direct Costs</b>		<b>1,407,242</b>	<b>1,182,009</b>
<b>Total Less Direct Costs</b>		<b>1,407,242</b>	<b>1,182,009</b>
<b>Gross Profit</b>		<b>486,334</b>	<b>583,791</b>
<b>Other Income</b>			
Interest, dividends and other investment revenue		18,181	13,413
<b>Total Other Income</b>		<b>18,181</b>	<b>13,413</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



	NOTES	2019	2018
<b>Less expenses</b>			
ACC Admin		3,521	3,641
Accountancy Fees		4,061	3,501
Amenities Administrative		701	487
Audit fees		5,500	5,450
Bad Debts		12,978	-
Bank Fees		1,182	1,203
Board Meetings/AGM		639	1,809
Bookkeeping Fees		5,900	6,350
CD/Vinyl Purchases		586	10,499
Corporate Promotion		28,875	26,304
Depreciation		5,945	6,678
Funds Development		1,252	2,395
Interest Expense		-	-
Insurance		5,645	5,471
IPayroll Fees		3,963	3,065
Maintenance Equipment		346	808
Maori/Pacifica Internships		1,725	-
Miscellaneous Admin Expenses		1,807	(54)
Orchestra Wellington Foundation Donation		-	100,000
Photocopying and Postage		3,758	3,198
Principals Meetings		393	364
Printing & Stationery		2,204	1,240
Programmes		2,494	1,959
Rental and lease payments		24,174	23,026
Staff Function		1,645	5,601
Staff Training/Consultancy		1,974	12,757
Subscriptions		699	579
Telephone		1,733	4,285
Travel and Accommodation		2,104	2,891
Website expenses		811	5,020
Wages and salaries		331,884	333,425
<b>Total Less expenses</b>		<b>458,497</b>	<b>571,951</b>
<b>Surplus/(Deficit) for the Year</b>		<b>46,018</b>	<b>25,252</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.





# Statement of Changes in Equity

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

	2019	2018
<b>Equity</b>		
Opening Balance	492,758	467,506
<b>Increases</b>		
Surplus/(Deficit) for the Year	46,018	25,252
<b>Total Increases</b>	<b>46,018</b>	<b>25,252</b>
<b>Total Equity</b>	<b>538,776</b>	<b>492,758</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



# Statement of Financial Position

## Wellington Regional Orchestra Foundation Inc As at 31 December 2019

	NOTES	31 DEC 2019	31 DEC 2018
<b>Assets</b>			
<b>Current Assets</b>			
Bank and cash/(bank overdraft)		655,815	560,115
Cash Float		50	50
Investments		413,800	400,000
Receivables	6	47,991	62,040
<b>Total Current Assets</b>		<b>1,117,657</b>	<b>1,022,205</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	51,145	50,090
<b>Total Non-Current Assets</b>		<b>51,145</b>	<b>50,090</b>
<b>Total Assets</b>		<b>1,168,802</b>	<b>1,072,295</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Income Received in Advance		551,638	514,822
GST		40,190	26,803
Payables	19	38,198	37,912
<b>Total Current Liabilities</b>		<b>630,026</b>	<b>579,537</b>
<b>Total Liabilities</b>		<b>630,026</b>	<b>579,537</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>538,776</b>	<b>492,758</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)		538,776	492,758
<b>Total Accumulated Funds</b>		<b>538,776</b>	<b>492,758</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



# Statement of Cash Flows

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

	2019	2018
<b>Cash Flow</b>		
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Cash receipts from operating activities	1,942,608	1,852,824
Interest Received	18,181	13,413
GST	15,257	30,018
<b>Cash was applied to:</b>		
Payments to suppliers and employees	1,859,526	1,781,403
<b>Net Cash Flows from Operating Activities</b>	<b>116,520</b>	<b>114,852</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Payments received from sale of Investments	-	-
<b>Total Cash was received from:</b>	<b>-</b>	<b>-</b>
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	7,000	5,955
Payments to acquire investments	13,800	332,728
<b>Total Cash was applied to:</b>	<b>20,800</b>	<b>338,682</b>
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(20,800)</b>	<b>(338,682)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>95,720</b>	<b>(223,830)</b>
	<b>2019</b>	<b>2018</b>
<b>Cash Balances</b>		
Cash and cash equivalents at the end of the period	655,835	560,115
Less Cash and cash equivalents at the beginning of the period	560,115	783,945
<b>Net change in cash for the period</b>	<b>95,720</b>	<b>(223,830)</b>



# Statement of Accounting Policies

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

### Reporting Entity

The Wellington Regional Orchestra Foundation Inc is an incorporated society under the Incorporated Societies Act 1908 and trades as 'Orchestra Wellington'. The Financial Statements have been prepared using generally accepted accounting practice. The Wellington Regional Orchestra Foundation is a registered charity with the Charities Commission established under the Charities Act 2005.

### Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

### Measurement Base

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position unless otherwise stated is historical cost.



# Notes to the Performance Report

## Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2019

### 1. Grants and Sponsorship

Accounted for on an accruals basis, the income is recognised in the financial year in which the matching expenditure is incurred and the funding requirements have been met. Any funding for a specific event or concert will be recognised in the period of the concert or event.

### 2. Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

### 3. Fixed Assets and Depreciation

All fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on a straight line basis on all tangible assets at rates calculated to allocate the costs, less estimated residual values over the estimated useful lives of the assets. The useful lives are:

Office Equipment: 5-10 years (10%-20%)

Office and Stage Furniture: 10 years (10%)

Musical Instruments: 5-10 years (10%-20%)

	2019	2018
<b>4. Fixed Asset Summary</b>		
<b>Fixed Assets</b>		
<b>Admin Equipment</b>		
Admin Equipment	28,552	28,552
Admin Equipment Accumulated Depreciation	(21,107)	(19,905)
<b>Total Admin Equipment</b>	<b>7,445</b>	<b>8,647</b>
<b>Orchestral Equipment</b>		
Orchestral Equipment	139,959	132,959
Orchestral Equipment Accumulated Depreciation	(96,259)	(91,516)
<b>Total Orchestral Equipment</b>	<b>43,700</b>	<b>41,443</b>
<b>Total Fixed Assets</b>	<b>51,145</b>	<b>50,090</b>
<b>Total Fixed Asset Summary</b>	<b>51,145</b>	<b>50,090</b>

### 5. Goods and Services Tax

These Financial Statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.



2019 2018

**6. Receivables and Prepayments****Trade and Other Receivables**

Accounts Receivable	1,150	14,373
Prepayments	46,841	47,667
<b>Total Trade and Other Receivables</b>	<b>47,991</b>	<b>62,040</b>

Trade receivables are valued at expected realisable value after providing for doubtful and non-collectable debts.

**7. Employee Entitlements**

The liability for annual leave has been calculated on an actual entitlement basis at the current rate of pay.

**8. Banking Arrangements**

The Wellington Regional Orchestra Foundation Inc has a range of current and term deposit accounts at ANZ Bank New Zealand Limited, selected to match the availability of funds deposited to the expected future cash outflows while maximising interest income. For the purposes of these Financial Statements the balances of the bank accounts at ANZ Bank have been aggregated.

**9. Subsequent Events**

WRO is aware that COVID-19 was declared a global health emergency on 31 January 2020 by the World Health Organisation and the subsequent announcement by the NZ Government that all non-essential businesses are to close effective 25 March will have an impact upon our suppliers, customers and staff. This will therefore change significantly the organisation's forecast financial performance which supports the going concern assumption under which these financial statements have been prepared.

At this point in time it is not possible to quantify the financial impact of this pandemic on the Company and its future operations. (December 2018: Nil).

**10. Creative New Zealand Funding**

The Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) and the Wellington Regional Orchestra Foundation Inc. have a two-year funding agreement commencing 1 January 2018 and ending 31 December 2019.

2019 2018

**11. Grants and Donations**

Other Private / Donations / Chair Donors & Sponsors	47,607	55,391
<b>Total Grants and Donations</b>	<b>47,607</b>	<b>55,391</b>



	2019	2018
<b>12. Sponsorship</b>		
Adams Foundations	15,000	15,000
Asia NZ	-	2,000
Deane Endowment	15,000	11,000
Four Winds	5,500	1,940
Hutt City Council	4,000	4,000
Lion Foundation	8,000	5,000
Minter Ellison Rudd Watts	-	1,087
Music to Schools	73,375	-
OMV New Zealand Limited	15,000	15,000
One Foundation	-	8,696
Partridge Jewellers	-	1,043
Porirua City Council	-	12,000
Porirua Lagoon	-	2,000
Public Trust	5,000	4,769
Pub Charity	5,000	7,500
Rainbow NZ Trust	1,600	-
Rule Foundation	4,000	-
Stout Trust	10,000	10,000
Todd Corporation	25,000	25,000
Turnovsky Trust	5,000	5,000
Wellington Airport	10,000	-
Wellington City Council	11,377	7,550
<b>Total Sponsorship</b>	<b>212,852</b>	<b>138,585</b>
	2019	2018
<b>13. Wellington City Council Grants</b>		
Annual Plan Partner Contract	282,380	278,415
<b>Total Wellington City Council Grants</b>	<b>282,380</b>	<b>278,415</b>

Wellington City Council and the Wellington Regional Orchestra Foundation Inc. have entered into an Annual Plan Partner Contract for three years commencing 1 July 2018 and ending 30 June 2021.

#### 14. Board Remuneration

The members of the board of management for the Wellington Regional Orchestra Foundation Inc did not receive any fees. (December 2018: Nil)

#### 15. Related Parties

There were no transactions involving related parties during the financial year.



## 16. Going Concern Assumption

In approving these financial statements the Board considers the going concern assumption appropriate, the Board believe the Foundation will have sufficient cash flows to meet its financial obligations as they fall due. This assumption is based on consideration of the 31 December 2019 financial position and forecast financial performance for the 12 months following approval of these financial statements. The Board has a reasonable belief that this forecast will be met.

## 17. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on 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 borrowings in current liabilities in the statement of financial position.

## 18. Debtors and Other Receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Orchestra Wellington will not be able to collect all amounts due according to the original terms of the receivable.

## 19. Creditors and Other Payables

Trade creditors and other payables are stated at cost.





**INDEPENDENT AUDITOR'S REPORT****To the Members of Wellington Regional Orchestra Foundation Inc****Opinion**

We have audited the performance report of Wellington Regional Orchestra Foundation Inc (the "Charity") on pages 3 to 4 and 7 to 16, which comprises the entity information, the statement of financial performance and statement of cash flows for the year ended 31 December 2019, the statement of financial position as at 31 December 2019, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the performance report on pages 3 to 4 and 7 to 16 presents fairly, in all material respects:
  - the entity information for the year ended 31 December 2019;
  - the financial position of the Charity as at 31 December 2019, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

**Basis for Opinion**

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and of the entity information in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report.

We are independent of the Charity in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Charity.

**Responsibilities of the Board for the Performance Report**

The Board are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report, which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

- (c) For such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible for assessing the Charity'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 Board either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Emphasis of Matter for COVID-19**

We draw attention to Note 9 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency on 31 January 2020 relating to the spread of COVID-19. Our opinion is not modified in respect to this matter.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance 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 ISAs (NZ) and ISAE (NZ) 3000 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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance 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, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity'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 performance 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 Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the



- disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.

*Crowe*

**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

*3 June 2020*