
Financial Statements

Wellington Regional Orchestra Foundation Inc
31 December 2016

Contents

Entity Information	2
Statement of Service Performance	3
Statement of Financial Performance	5
Statement of Movements in Equity	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	14
Audit Report	15

The notes form part of and should be read in conjunction with the financial statements

Entity Information

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

'Who we are?', 'Why do we exist?'

Legal name of entity

Wellington Regional Orchestra Foundation Inc.

Other name of entity

Orchestra Wellington (trading name)

Type of Entity and legal basis

Incorporated Society



Entity's purpose of 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. a programme of affordable self-presented concerts;
 - b. community based outreach through orchestral music, such as the Music to Schools and family programmes, and support for local Sistema initiatives.

Entity's Structure

Orchestra Wellington is governed by the Board of Directors and has a small administrative team of 6 people (4.2 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 the 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 the Entity to raise funds

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

Entity's reliance on volunteers or donated goods and services

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

Additional Information

Physical address:	Level 8, 13-22 Manners Street, Wellington 6142
Postal address:	PO Box 11-977, Wellington
Phone/fax:	04 801 7812
Email/website	www.orchestrawellington.co.nz

The notes form part of these financial statements and should be read in conjunction with them.

Statement of Service Performance

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

'What did we do?', 'When did we do it?'

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.

Description and Quantification of the Entity's Outputs	Dec-16	Dec-15
Audience members experience the thrill of a live Orchestra Wellington performance at the Michael Fowler Centre in Wellington	11,933	5,000
Audience members experience the thrill of a live orchestral performance at the ballet and the opera	19,634	21,000
Wellingtonians experience orchestral music in the capital's streets and public spaces	7,000	15,000
Children from low-decile schools experience quality live music in their schools	3,012	1,500
Children from low-decile schools receive free music lessons (in-school and holiday programme)	120	120

Additional Information: Feedback

"Wellington is very lucky to have such a vibrant, open and energised local orchestra."
Stuart Maunder, General Director New Zealand Opera

"We absolutely LOVED the performance. The staff and students were all engaged from start to finish." **School participant in Beat It! Blast It, our Music to Schools programme**

"Thank you so much for the fabulous event this evening. It was a great performance and such a good idea. We can't wait to see you perform again at Aotea Lagoon next year!" **Audience member at 'Symphony at the Lagoon', Porirua**



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Statement of Financial Performance

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

	Notes	Dec-16	Dec-15
Trading Income			
Concert Takings and Programme Sales		\$224,521	\$112,103
Creative New Zealand	12	\$390,000	\$371,751
Grants and Donations	13	\$56,755	\$360
Miscellaneous Income		(\$1,950)	\$4,000
Recording Fees		\$2,250	\$12,750
Sponsorship	14	\$118,169	\$56,000
Sponsorship (In kind)	15	\$1,500	\$1,500
The Community Trust of Wellington		\$25,000	\$23,831
User Fees		\$463,840	\$28,595
Wellington City Council Grants	16	\$272,960	\$136,000
Wellington Regional Amenities Fund		\$75,000	\$45,000
Total Trading Income		\$1,628,045	\$791,890
Less Direct Costs			
Amenities Orchestral		\$1,988	\$1,705
Artists' Expenses		\$5,502	\$3,754
Artists' Fees		\$171,686	\$71,049
Audition Expenses		\$895	\$0
Concert Promotion		\$54,376	\$107,520
Equipment Cartage/Freight		\$12,985	\$11,082
Hire Halls		\$94,121	\$69,476
Hire Music & Arranging		\$6,979	\$10,562
Hire Orchestral Equipment		\$5,751	\$7,879
Misc Orchestral Expenses		\$2,604	\$2,739
Player Fees		\$587,537	\$195,512
Production Accommodation		\$14,483	\$11,434
Production Transport		\$15,066	\$12,616
Rehearsal Venues		\$11,399	\$910
Ticketing Costs		\$25,191	\$16,505
Total Direct Costs		\$1,010,563	\$522,744
Gross Profit		\$617,482	\$269,147
Other Income			
Interest Received		\$4,876	\$4,590
Total Other Income		\$4,876	\$4,590
Less Expenses			
ACC Admin		\$2,210	\$1,381
Accountancy Fees		\$2,950	\$4,445

The notes form part of these financial statements and should be read in conjunction with them.



Statement of Financial Performance

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

	Notes	Dec-16	Dec-15
Amenities Administrative		\$275	\$625
Audit Fees		\$5,000	\$5,000
Bank Fees		\$1,700	\$430
Board Meetings/AGM		\$1,591	\$1,709
Bookkeeping Fees		\$4,995	\$2,275
Corporate Promotion		\$72,451	\$13,567
Depreciation		\$5,928	\$2,947
Funds Development		\$219	\$1,051
Insurance		\$5,591	\$229
IPayroll Fees		\$2,903	\$1,311
Maintenance Admin Equipment		\$2,408	\$483
Miscellaneous Admin Expenses		\$1,230	\$53
Postage		\$1,765	\$253
Principals Meetings		\$345	\$309
Printing & Stationery		\$4,403	\$1,393
Programmes		\$2,853	\$0
Rent Paid		\$19,950	\$9,975
Sponsorship Retainer		\$295	\$0
Staff Function		\$1,920	\$2,358
Staff Training/Consultancy		\$5,173	\$695
Subscriptions		\$910	\$313
Telephone		\$3,605	\$2,978
Travel and Accommodation		\$2,171	\$2,422
Functions		\$0	\$2,863
Wages and Salaries		\$262,931	\$131,151
Total Expenses		\$415,773	\$190,219
Net Profit (Loss) for the Year		\$206,585	\$83,519



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Statement of Movements in Equity

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

	Dec-16	Dec-15
Equity		
Opening Balance	\$112,181	\$28,662
Plus Movement for the Period		
Current Year Earnings (Loss)	\$206,585	\$83,519
Total Movement for the Year	\$206,585	\$83,519
Total Equity	\$318,766	\$112,181



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Statement of Financial Position

Wellington Regional Orchestra Foundation Inc As at 31 December 2016

	Notes	Dec-16	Dec-15
Assets			
Current Assets			
Bank Accounts		\$340,883	\$225,702
Cash Float		\$50	\$50
GST		\$0	\$9,283
Investments		\$204,903	\$0
Receivables	7	\$96,456	\$112,050
Total Current Assets		\$642,292	\$347,086
Non Current Assets			
Fixed Assets as per Schedule	5	\$48,334	\$44,737
Total Non Current Assets		\$48,334	\$44,737
Total Assets		\$690,626	\$391,823
Liabilities			
Current Liabilities			
Income Received in Advance		\$310,478	\$222,626
GST		\$19,669	\$0
Payables		\$41,713	\$57,016
Total Current Liabilities		\$371,860	\$279,642
Total Liabilities		\$371,860	\$279,642
Net Assets		\$318,766	\$112,181
Equity			
Accumulated Funds		\$318,766	\$112,181
Total Equity		\$318,766	\$112,181

For and on behalf of the Board

Chairman

Board Member



The notes form part of these financial statements and should be read in conjunction with them.

Statement of Cash Flows

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

	Dec-16	Dec-15
Cash Flows from Operating Activities		
Cash was received from:		
Cash receipts from operating activities	\$1,729,459	\$719,049
Interest Received	\$4,876	\$4,590
GST	\$28,990	\$0
Cash was applied to:		
Payments to suppliers and employees	\$1,433,716	\$741,645
GST		\$23,269
Net Cash Flows from Operating Activities	\$329,609	-\$41,275
Cash Flows from Investing and Financing Activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	\$9,525	\$0
Net Cash Flows from Investing and Financing Activities	(\$9,525)	\$0
Net Increase/ (Decrease) in Cash	\$320,084	(\$41,275)
Cash Balances		
Cash and cash equivalents at the end of the period	\$545,786	\$225,702
Less Cash and cash equivalents at the beginning of the period	\$225,702	\$266,978
Net Change in cash for period	\$320,084	(\$41,275)



The notes form part of these financial statements and should be read in conjunction with them.

Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

1. Statement of Accounting Policies:

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.

2. Specific Accounting Policies:

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.

3. Changes in Accounting Policies:

These financial statements represent the period 1 January 2016 to 31 December 2016. The comparatives represent the period 1 July 2015 to 31 December 2015.

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

4. 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%)



Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

5. Fixed Asset Summary:

For the 12 months ended 31 December 2016:

	Cost or Valuation	Depreciation For Year	Accumulated Depreciation	Book Value This Year
Administration Assets	21,253	2,086	15,697	5,556
Orchestral Assets	125,727	3,842	82,950	42,777
Total	146,980	5,928	98,647	48,333

For the 6 months ended 31 December 2015:

	Cost or Valuation	Depreciation For Year	Accumulated Depreciation	Book Value This Year
Administration Assets	18,193	872	13,611	5,582
Orchestral Assets	119,263	2,075	79,180	40,155
Total	137,456	2,947	92,791	44,737

6. Goods and Services Tax:

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

7. Receivables and Prepayments:

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

Receivables and Prepayments	Dec-16	Dec- 15
Trade & Other Receivables	40,976	28,236
Plus		
Accrued Revenue	-	1,950
Prepayments	55,480	81,864
Total Receivables and Prepayments	96,456	112,050

8. Employee Entitlements:

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

9. 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 accounts at ANZ Bank have been aggregated.

Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

10. Capital Commitments/Contingent Liabilities:

The Wellington Regional Orchestra Foundation Inc has no commitments or contingent liabilities at 31 December 2016 (December 2015: Nil)

11. Subsequent Events:

There have been no events subsequent to balance date that materially effect the Financial Statements (December 2015: Nil).

12. Creative New Zealand Funding:

The Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) and the Wellington Regional Orchestra Foundation Inc have a multi-year funding agreement for three years commencing 1 January 2015.

13. Grants and Donations:

	Dec-16	Dec-15
Hutt City	8,000	-
Herrick Trust	1,000	-
Other Private/Donations/Chair Donors & Sponsors	47,036	-
Trust House	719	360
	56,755	360



Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

14. Sponsorship:

	Dec-16	Dec-15
Adams Foundations	15,000	15,000
Deane Endowment	8,000	-
First Sovereign	5,800	8,000
Four Winds	3,000	5,000
Infinity Foundation	8,000	3,000
Lion Foundation	5,000	5,000
Masterton Lands Trust	-	20,000
OMV New Zealand Limited	20,000	-
Public Trust	4,769	-
Pub Charity	13,600	-
Todd Corporation	30,000	-
Turnovsky Trust	5,000	-
	118,169	56,000



Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

15. Sponsorship (In Kind):

	Dec-16	Dec-15
Crowe Horwath	1,500	1,500
	1,500	1,500

16. Wellington City Council Grants:

Wellington City Council and the Wellington Regional Orchestra Foundation Inc have entered into an Annual Plan Partner Contract for a year commencing 1 July 2016.

	Dec-16	Dec-15
Annual Plan Partner Contract	272,960	136,000

18. Board Remuneration:

The members of the board of management for the Wellington Regional Orchestra Foundation Inc did not receive any fees.(December 2015: Nil)

19. Related Parties:

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



Notes to the Financial Statements

Wellington Regional Orchestra Foundation Inc For the year ended 31 December 2016

19. 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 2016 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.



Wellington Regional Orchestra Foundation Inc.

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. on pages 2 to 14, which comprises the entity information, the statement of financial performance and statement of cash flows for the year ended 31 December 2016, the statement of financial position as at 31 December 2016, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the performance report on pages 2 to 14 presents fairly, in all material respects,:
 - the entity information for the year then ended; and
 - the financial position of Wellington Regional Orchestra Foundation Inc. as at 31 December 2016, 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 Wellington Regional Orchestra Foundation Inc. 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 Wellington Regional Orchestra Foundation Inc.

Responsibilities of the Board Members for the Performance Report

The Board Members are responsible on behalf of the Wellington Regional Orchestra Foundation Inc. 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 those charged with governance 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, those charged with governance are responsible for assessing the Wellington Regional Orchestra Foundation Inc.'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 those charged with governance either intend to liquidate the Wellington Regional Orchestra Foundation Inc. or to cease operations, or have no realistic alternative but to do so.

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 entity'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 those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 entity 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 those charged with governance 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 Horwath New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

6 April 2017