

Chamber Music New Zealand Foundation

Performance Report

31 December 2019

Chamber Music New Zealand Foundation Performance Report For the year ended 31 December 2019

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Chamber Music New Zealand Foundation

Entity Information

For the year ended 31 December 2019

Legal name of entity

Chamber Music New Zealand Foundation ("the Foundation").

Type of entity and legal basis

Incorporated as a Charitable Trust under the Charitable Trusts Act 1957.

Registered as a Charity (registration number CC34589) under the Charities Act 2005.

Entity's purpose or mission statement

The aims and objectives of the Foundation are to assure the support, provisioning and future financial security of the charitable trust presently known as Chamber Music New Zealand Trust, and generally to promote chamber music in New Zealand.

Governance

As at 31 December 2019 the Foundation trustees were:

Paul Baines (Chair)
Christopher Finlayson
Gretchen La Roche
Graeme Mitchell
Helen Philpott
Dr Peter Walls

Main sources of cash and resources

Interest, dividends and income from investments, bequests, and endowments to be used for special purposes.

Main methods used by the entity to raise funds

The Foundation supports the fundraising activities of Chamber Music New Zealand Trust and receives the income from bequests made as a result of these activities.

The Foundation accepts endowments designated for special purposes relating to chamber music.

The entity's reliance on volunteers and donated goods or services

The trustees are all volunteers.

The Foundation does not receive donated goods.

**Chamber Music New Zealand Foundation
Entity Information
For the year ended 31 December 2019**

Additional information

Independent Auditor Moore Markhams Wellington Audit
Wellington

Banker Westpac
Wellington

Contact information

Registered office Level 4, 75 Ghuznee St., Te Aro, Wellington 6011

Postal address PO Box 6238, Marion Square, Wellington 6141

Website www.chambermusic.co.nz

Phone (04) 384 6133

Chamber Music New Zealand Foundation

Statement of Service Performance

For the year ended 31 December 2019

Description of the entity's outcomes

Providing grants to Chamber Music New Zealand Trust and supporting the performance of chamber music throughout New Zealand.

Description and quantification of the entity's outputs	2019	2018
Grants to CMNZ Trust		
Grant to support the cost of fundraising	60,000	60,000
Grant to support the Development Manager position	14,027	-
Contribution to the Regional Series	15,000	-
Contribution to Professional Development	12,000	-
Contribution to the Artistic Programme	10,000	99,750
Grants to CMNZ Trust for specific purposes		
The Donald Barriball's bequest to the Hamilton Chamber Music Society in support of one concert in Hamilton and towards running the NZCT Chamber Music Contest Waikato District rounds	2,400	-
The Trevkel Music Trust: in memory of Mr L H Trevena-Brown and Ms J V Kelley to advancing musical education in New Zealand and, specifically, to assist New Zealand string players to pursue their musical studies	3,000	-
Marie Vandewart Memorial Award recognising outstanding service and commitment to chamber music through the NZCT Chamber Music Contest: 2019 Shonah Scott	234	-
Prizes and awards		
Prize given on behalf of Auckland Chamber Music Society for the best chamber music ensemble at the School of Music, University of Auckland	3,952	4,344
Prize given to a local secondary schools group on behalf of IRMT Timaru at the annual NZCT Chamber Music Contest	350	350

Chamber Music New Zealand Foundation
Statement of Comprehensive Revenue and Expenses
For the year ended 31 December 2019

	Note	2019	2018
Revenue			
Donations, fundraising and other similar revenue	1	15,720	104,167
Interest, dividends and other investment revenue	1	3,868	8,186
Total Revenue		19,588	112,353
Expenses			
Grants and donations made	2	121,427	159,750
Other expenses	2	11,774	11,477
Total Expenses		133,201	171,227
Deficit for the year		(113,613)	(58,874)
Other Comprehensive Revenue and Expenses			
Unrealised gain/(loss) on Investments		176,228	(50,191)
Total Comprehensive Revenue and Expenses for the year		62,615	(109,065)

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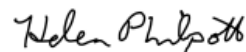
Chamber Music New Zealand Foundation
Statement of Financial Position
As at 31 December 2019

	Note	2019	2018
Assets			
Current Assets			
Bank accounts and cash	3	130,493	45,000
Term deposits	3	27,520	26,615
Debtors	3	-	40,000
Prepayments	3	-	-
Accrued interest	3	56	67
Investments	3	83,455	100,053
Total Current Assets		241,524	211,735
Non-Current Assets			
Investments	3	1,139,296	1,095,318
Total Non-Current Assets		1,139,296	1,095,318
Total Assets		1,380,820	1,307,053
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	13,300	3,300
Total Current Liabilities		13,300	3,300
Total Liabilities		13,300	3,300
Total Assets less Total Liabilities (Net Assets)		1,367,520	1,303,753
Accumulated Funds			
Foundation retained earnings	6	968,095	941,389
Reserves	6	399,425	362,364
Total Accumulated Funds		1,367,520	1,303,753

For and on behalf of the Trustees:



Chair



Trustee

13 May 2020

Date authorised for issue

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Chamber Music New Zealand Foundation
Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019	2018
Cash flows from operating activities			
Cash was received from:			
Donations, fundraising and other similar receipts		15,720	104,167
Interest, dividends and other investment receipts		3,879	11,186
Cash was applied to:			
Payments for expenses		7,822	7,321
Donations or grants paid		71,427	199,750
Prizes awarded		3,952	4,344
Net cash flows from operating activities		(63,602)	(96,061)
Cash flows from investing and financing activities			
Cash was received from:			
Receipts from the sale of investments		150,000	134,770
Cash was applied to:			
Payments to purchase investments		905	30,000
Net cash flows from investing and financing activities		149,095	104,770
Net increase/(decrease) in cash		85,493	8,709
Opening bank accounts and cash		45,000	36,291
Closing bank accounts and cash		130,493	45,000
This is represented by:			
Bank accounts and cash	3	130,493	45,000

Chamber Music New Zealand Foundation
Statement of Accounting Policies
For the year ended 31 December 2019

Basis of Preparation

The Foundation 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 of 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 Foundation will continue to operate in the foreseeable future.

GST

The Foundation is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Specific Accounting Policies

Income Tax

The Foundation is a registered charitable entity under the Charities Act 2005, and accordingly is exempt from income tax under sections CW41 and CW42 of the Income Tax Act 2007.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Foundation and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received.

The following specific recognition criteria must be met before revenue is recognised:

Donations, Fundraising and Other Similar Revenue

Bequest income is recognised upon receipt of the funds.

Donations and grant income is recognised upon receipt of the funds when no "use or return" conditions are attached.

Interest, Dividends and Investment Revenue

Interest, dividend and investment revenue is recognised as it is earned, on an accruals basis.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Financial Instruments

The Foundation has elected to apply Tier 2 PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Foundation classifies financial assets into the following categories: loans and receivables, or available for sale.

The Foundation classifies financial liabilities into the following categories: amortised cost.

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition at fair value through surplus or deficit, these are measured at amortised cost using the effective interest method, less any allowance for impairment.

The Foundation's cash and cash equivalents, term deposits and debtors fall into this category of financial instruments.

Available for sale

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as another category of financial assets.

After initial recognition at fair value through surplus or deficit, these are measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the Investment Revaluation Reserve within net assets/equity, less impairment.

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

The Foundation's bonds and investment portfolio fall into this category of financial instruments.

Impairment of financial assets

The Foundation assesses at the end of reporting date whether there is objective evidence that a financial asset is impaired.

A financial asset is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

An impairment loss in respect of loans and receivables is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables.

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity and to surplus or deficit.

Financial liabilities

At amortised cost

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

The Foundation's financial liabilities include creditors and accrued expenses.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used through the period.

Chamber Music New Zealand Foundation

Notes to the Performance Report

For the year ended 31 December 2019

Note 1: Analysis of Revenue by Fund

	2019	2018
Revenue Item		
Donations, fundraising and similar revenue		
Bequests	10,000	98,447
Regular giving donations	720	720
Donations	5,000	5,000
	15,720	104,167
Interest, dividends and other investment revenue		
Auckland Chamber Music Society	900	1,027
Interest/dividends received	2,968	7,159
	3,868	8,186
Total Revenue	19,588	112,353

Note 2: Analysis of Expenses by Fund

	2019	2018
Expense Item		
Grants and donations made		
Chamber Music New Zealand Trust	116,027	159,750
Trevkel Trust	3,000	-
Hamilton Chamber Music Society	2,400	-
	121,427	159,750
Other Expenses		
Auckland Chamber Music Society (ACMS) Prize	3,952	4,344
ACMS travel and other expenses	561	410
Foundation general expenses	6,677	6,373
Timaru IRMT Prize	350	350
Marie Vandewart Trust	234	-
	11,774	11,477
Total Expenses	133,201	171,227

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2019

Note 3: Analysis of Assets	2019	2018
Bank accounts and cash		
Bank account call	124,199	33,866
Bank ACMS account	6,294	11,134
	130,493	45,000
Debtors and prepayments		
CMNZ Trust receivable	-	40,000
Interest and dividends accrued	56	67
Prepayments	-	\$ -
	56	40,067
Term deposits		
Term deposit	27,520	26,615
	27,520	26,615
Non-current investments		
Vector capital bonds maturing 15.06.2022	23,000	23,000
Spark shares	27,712	26,560
	50,712	49,560
Trustees Executors Portfolio		
Current CMNZ Foundation	83,455	100,053
Non-current CMNZ Foundation	774,682	768,816
Auckland Chamber Music Society	33,069	28,661
Marie Vandewart Trust	16,594	14,585
Trevkel Trust	238,400	209,222
Hamilton Chamber Music Society	25,838	24,474
	1,172,039	1,145,811
Note 4: Analysis of Liabilities	2019	2018
Creditors and accrued expenses		
Accrued review fee	3,300	3,300
CMNZ Trust payable	10,000	-
	13,300	3,300

Chamber Music New Zealand Foundation Notes to the Performance Report For the year ended 31 December 2019

Note 5: Non-Monetary Donated Assets

No donated non-monetary assets were received during the period. (Last year: nil).

Note 6: Changes in Accumulated Funds 2019

Description	Accumulated surpluses or (deficits)	Foundation investment revaluation reserve	Reserves	Total
Opening balance	827,240	114,149	362,364	1,303,753
Deficit	(106,927)	-	(6,686)	(113,613)
Transfer to reserves	-	1,152	-	1,152
Investment revaluation reserve	-	132,482	43,746	176,228
Closing balance	720,313	247,783	399,425	1,367,520

2018

Description	Accumulated surpluses or (deficits)	Investment revaluation reserve	Reserves	Total
Opening balance	1,175,910	236,908	-	1,412,818
Surplus/(deficit)	(57,635)	-	(1,239)	(58,874)
Transfer to/from reserves	(291,035)	(82,175)	373,210	-
Investment revaluation reserve	-	(40,584)	(9,607)	(50,191)
Closing balance	827,240	114,149	362,364	1,303,753

Nature and purpose of each reserve

The reserves are maintained to enable the Foundation to fulfill its objective of supporting the future of chamber music in New Zealand.

In 2018 the Foundation's accumulated funds were divided into separate reserves to reflect the funds received by the Foundation.

ACMS (Auckland Chamber Music Society) Reserve

Prize given on behalf of Auckland Chamber Music Society for the winner of the annual Auckland Chamber Music Contest.

	2019	2018
Opening balance	111,284	-
Initial fund		110,184
Plus surplus/(deficit)	(702)	(889)
Plus unrealised investment revaluation gain	5,560	1,989
Closing balance	116,142	111,284

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2019

Hamilton Chamber Music Society Reserve

In memory: the Donald Barriball Bequest to the Hamilton Chamber Music Society supports the NZCT Chamber Music Contest in the Waikato District.

	2019	2018
Opening balance	24,474	-
Initial fund		25,617
Plus surplus/(deficit)	(2,400)	-
Less unrealised investment revaluation loss	3,764	(1,143)
Closing balance	<u>25,838</u>	<u>24,474</u>

Marie Vandewart Trust Reserve

Marie Vandewart Memorial Award recognising outstanding service and commitment to chamber music through the NZCT Chamber Music Contest: 2019 Shonah Scott.

	2019	2018
Opening balance	14,585	-
Initial fund		15,266
Plus surplus/(deficit)	(234)	-
Less unrealised investment revaluation loss	2,243	(681)
Closing balance	<u>16,594</u>	<u>14,585</u>

Timaru IRMT Reserve

Prize given to a local secondary schools group on behalf of IRMT Timaru at the annual NZCT Chamber Music Contest.

	2019	2018
Opening balance	2,800	-
Initial fund		3,150
Plus surplus/(deficit)	(350)	(350)
Plus unrealised investment revaluation gain/(loss)	-	-
Closing balance	<u>2,450</u>	<u>2,800</u>

Trevkel Reserve

The Trevkel Music Trust: In memory of Mr L H Trevena-Brown and Ms J V Kelley to advancing musical education in New Zealand and, specifically, to assist New Zealand string players to pursue their musical studies.

	2019	2018
Opening balance	209,221	-
Initial fund		218,993
Plus surplus/(deficit)	(3,000)	-
Plus unrealised investment revaluation gain/(loss)	32,179	(9,772)
Closing balance	<u>238,400</u>	<u>209,221</u>

Total Reserves

	2019	2018
Opening balance	362,364	-
Initial fund		373,210
Plus surplus/(deficit)	(6,686)	(1,239)
Plus unrealised investment revaluation gain/(loss)	43,746	(9,607)
Closing balance	<u>399,425</u>	<u>362,364</u>

Chamber Music New Zealand Foundation

Notes to the Performance Report

For the year ended 31 December 2019

Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	2019	2018
Financial Assets		
<i>Loans and receivables</i>		
Cash and cash equivalents	130,493	45,000
Term deposits	27,520	26,615
Debtors	-	40,000
<i>Available for Sale</i>		
Investments - current	83,455	100,053
Investments - non-current	1,088,581	1,095,318
	<u>1,330,049</u>	<u>1,306,986</u>
Financial Liabilities		
<i>At amortised cost</i>		
Creditors and accrued expenses	<u>13,300</u>	<u>3,300</u>

Note 7: Commitments

Commitment to provide grant

There are no commitments as at 31 December 2019. (Last year: nil).

Note 8: Contingent Liabilities

At balance date there were no known contingent liabilities. (Last year: nil).

Note 9: Related Party Transactions

There are no amounts due from or to related parties at balance date. (Last year: nil).

Note 10: Events After Balance Date

Since balance date the COVID-19 pandemic has resulted in a significant decline in the value of most equity investments and some fixed interest investments. As at 31 December 2019 the value of the investment assets managed by Trustees Executors on behalf of the Foundation was \$1,172,039. As at 31 March 2020 the value was \$1,023,457.

Note 11: Other Disclosures

Goods and services provided to the Foundation in kind

The Foundation relies on the generosity of volunteers for the amount of time they donate. Without our volunteers, our services may not be provided. The amount of volunteer time donated to the Foundation cannot be valued as there are no equivalent paid positions with the organisation.

Assets used as security for liabilities

No assets have been used as security for liabilities at reporting date. (Last year: nil).

Independent assurance practitioner's review report

To the Trustees of Chamber Music New Zealand Foundation

We have reviewed the accompanying performance report of Chamber Music New Zealand Foundation on pages 2 to 13, which comprises of the entity information, the statement of service performance, 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.

The responsibility of the Board of Trustees for the performance report

The Board of Trustees are responsible on behalf of the entity for:

- a) identifying suitable outcomes and outputs and quantification methods where practicable to report in the statement of service performance
- b) the preparation and fair presentation of the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard issued in New Zealand by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board of Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the performance report. We conducted our review of the financial information (consisting 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 Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, "Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity", and the review of the non-financial information (consisting of the entity information and statement of service performance) in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard. Those standards also require that we comply with ethical requirements.

A review of the Performance Report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. A review of the statement of service performance also involves performing procedures to obtain evidence and evaluating the suitability of the reported outcomes, outputs and quantification methods used. We performed procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applied analytical procedures, and evaluated the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, Chamber Music New Zealand Foundation.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this performance report does not present fairly, in all material respects, the entity information and the financial position of Chamber Music New Zealand Foundation as at 31 December 2019 and its financial performance, cash flows and service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard.

Moore Markhams

Moore Markhams Wellington Audit | Chartered Accountants, Wellington, New Zealand
13 May 2020