

**Chamber Music New Zealand Trust**

**Financial Statements  
For the Year ended 31 December 2019**

# Chamber Music New Zealand Trust

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For the Year ended 31 December 2019

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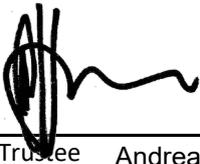
# Chamber Music New Zealand Trust

## Approval of Financial Statements

### For the Year ended 31 December 2019

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The Trustees are pleased to present the financial statements of Chamber Music New Zealand Trust for the year ended 31 December 2019.



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Trustee Andreas Sebastian Heuser



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Trustee

Dated: 19 March 2020

# Chamber Music New Zealand Trust

## Trust Directory

For the Year ended 31 December 2019

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<b>Address</b>	Level 4, 75 Ghuznee Street, Wellington, 6011
<b>Charities Number</b>	CC38382
<b>Trustees</b>	Kerrin Vautier CMG (Chair) Vanessa Doig Hamish Elliott Christopher Finlayson Andreas Heuser Matthew Savage
<b>IRD Number</b>	89-880-297
<b>Auditors</b>	KPMG 10 Customhouse Quay Wellington 6011

# Chamber Music New Zealand Trust

## Statement of Comprehensive Revenue and Expenses For the Year ended 31 December 2019

	<i>Note</i>	<b>2019</b>	<b>2018</b>
		\$	\$
<b>Revenue</b>			
Revenue from exchange transactions	1	669,860	746,343
Revenue from non-exchange transactions	2	1,696,185	1,743,717
Other revenue	3	54,135	19,364
<b>Total Revenue</b>		<b><u>2,420,180</u></b>	<b><u>2,509,424</u></b>
<b>Expenses</b>			
Artistic and production expenses	4	1,460,127	1,482,952
Administration and operating expenses	5	958,733	1,024,121
<b>Total Expenses</b>		<b><u>2,418,860</u></b>	<b><u>2,507,073</u></b>
Total surplus/(deficit) for the period		<u>1,320</u>	<u>2,351</u>
Total comprehensive revenue and expense		<u>1,320</u>	<u>2,351</u>



*NOTE: These Statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report*

# Chamber Music New Zealand Trust

## Statement of Changes in Net Assets

As at 31 December 2019

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	<b>2019</b>	<b>2018</b>
	\$	\$
Balance brought forward	268,262	265,911
Total comprehensive revenue and expense for the period	1,320	2,351
<b>Closing balance</b>	<b>269,582</b>	<b>268,262</b>

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*NOTE: These Statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report*

# Chamber Music New Zealand Trust

## Statement of Financial Position

As at 31 December 2019

	<i>Note</i>	<b>2019</b>	<b>2018</b>
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	345,155	426,337
Investments	9	100,000	100,000
Trade and other receivables	6	908	11,173
Non-exchange receivables	7	17,500	7,500
Prepayments		83,078	80,417
		<u>546,641</u>	<u>625,427</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	20,148	43,114
Work in Progress		-	-
		<u>20,148</u>	<u>43,114</u>
<b>Total Assets</b>		<u>566,789</u>	<u>668,541</u>
<b>Current Liabilities</b>			
Trade and other payables	11	35,435	135,309
Holiday pay provision	12	36,044	32,813
Non-exchange liabilities	13	-	-
Deferred revenue	14	225,728	232,157
<b>Total Liabilities</b>		<u>297,207</u>	<u>400,279</u>
<b>Total Net Assets</b>		<u>269,582</u>	<u>268,262</u>
<b>Equity</b>			
Accumulated Funds	16	<u>269,582</u>	<u>268,262</u>



NOTE: These Statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report

# Chamber Music New Zealand Trust

## Statement of Cash Flows As at 31 December 2019

	<i>Note</i>	<b>2019</b>	<b>2018</b>
		\$	\$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Members fees, subscriptions		287,649	330,216
Goods and services provided		341,253	385,168
Grants and donations		1,727,988	1,780,417
Rental income		23,685	12,940
Interest income		2,991	14,029
Other Income		30,451	6,399
Payments to suppliers and employees		(2,502,894)	(2,433,121)
Net GST (paid)/received		7,695	84
<b>Net cash flows from operating activities</b>		<b>(81,182)</b>	<b>96,132</b>
<b>Cash flows from investing activities</b>			
Acquisition of property plant and equipment		-	(30,320)
(Acquisition)/maturity of term deposits		-	214,095
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>183,775</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(81,182)</b>	<b>279,907</b>
<hr/>			
Cash and cash equivalents at beginning of the year		426,337	146,430
Cash and cash equivalents at the end of the year		345,155	426,337
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(81,182)</b>	<b>279,907</b>



NOTE: These Statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report

# Chamber Music New Zealand Trust

## Statement of Accounting Policies

### For the Year ended 31 December 2019

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#### 1. Basis of preparation

Chamber Music New Zealand Trust (the "Trust") is domiciled in New Zealand. The Trust's registered office is Level 4, 75 Ghuznee Street, Wellington.

The Trust is a not-for-profit public benefit entity, registered as a charity under the Charities Act 2005, and is established to present chamber music within New Zealand.

The financial statements have been prepared on a going concern basis, on the basis that the Trust has committed funding from Creative New Zealand (CNZ) until 31 December 2025.

#### 2. Basis of accounting

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the PBE Accounting Standards as appropriate for Tier 2 not-for-profit public benefit entities. All disclosure concessions available have been applied. As a registered charity, the Trust is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Trust is eligible to report in accordance with Tier 2 PBE standards as it has operational expenditure greater than \$2 million per annum but less than \$30 million.

Details of the Trust's accounting policies are included in Note 5.

#### 3. Basis of measurement

These financial statements have been prepared on the basis of historical cost.

#### 4. Functional and presentation currency

These financial statements are presented in NZD, which is the Trust's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

#### 5. Specific accounting policies

##### a) Revenue from exchange transactions

Exchange transactions are those where the Trust receives value from another entity (eg. cash or other assets) and gives approximately equal value in exchange.

# Chamber Music New Zealand Trust

## Statement of Accounting Policies

### For the Year ended 31 December 2019

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#### (i) Revenue from providing goods or services

Ticket sales and regional concert revenue are recognised when the concerts are performed, when the significant risks and rewards of ownership have been transferred and associated costs and revenues can be measured reliably.

#### (ii) Interest, dividends and other investment revenue

Interest revenue is earned from cash, cash equivalents and investments and is recognised in the statement of comprehensive revenue and expense as it is earned, on an accrual basis.

#### (iii) Subscriptions

Subscriptions are recognised as revenue in the year in which the subscription period occurs.

#### *b) Revenue from non-exchange transactions*

Non-exchange transactions are those where the Trust receives value from another entity (eg. cash or other assets) without giving approximately equal value in exchange.

#### (i) Grants

Funding and grants received that are subject to 'use or return' or other conditions are initially recognised as a liability and revenue is only recognised when the services are performed or conditions are fulfilled. If there are no conditions, then revenue is recognised upon receipt.

#### (ii) Donations, sponsors and sponsorship in-kind

Donations, sponsors and sponsorship in-kind are voluntary transfers of assets including cash or other monetary assets, goods in-kind, and services in-kind that the Trust receives and which are free from stipulations. Revenue is recognised when it is probable that the future economic benefits or service potential will flow to the Trust, and the fair value of the assets can be measured reliability.

Sponsorship in-kind is included in the financial statements as follows:

- \* All services received are added to the appropriate expense account totals.
- \* Donated fixed assets are included in property, plant and equipment in the statement of financial position.

The corresponding income received is shown as sponsorship and sponsorship in-kind in the statement of comprehensive revenue and expenses

## 6. Taxes

The Trust is a registered charitable organisation and is therefore exempt from income tax under section CW 41 of the Income Tax 2007.

# Chamber Music New Zealand Trust

## Statement of Accounting Policies

### For the Year ended 31 December 2019

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#### 7. Goods and services tax (GST)

The Trust is a registered for GST. All amounts are shown exclusive of GST, except for receivables and payables which are shown inclusive of GST.

#### 8. Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Trust has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank.

#### 10. Investments

Investments include highly liquid investments with an original maturity of twelve months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

#### 11. Property, Plant and equipment

##### *(a) Recognition and measurement*

All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in surplus or deficit.

##### *(b) Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Trust. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

##### *(c) Depreciation*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the straight-line method over their useful lives, and is recognised in surplus or deficit.

The estimated useful lives of property, plant and equipment are as follows:

- Computer Equipment to be depreciated over 2.5 to 3.5 years
- Furniture & Fittings to be depreciated over 1.5 to 5 years
- Website to be depreciated over 2.5 to 3 years
- Fitout to be depreciated over 6 to 9 years

# Chamber Music New Zealand Trust

## Statement of Accounting Policies For the Year ended 31 December 2019

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### *(c) Depreciation (continued)*

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

### **12. Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous year.

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

### 1. Exchange Revenue

	<b>2019</b>	<b>2018</b>
	\$	\$
Revenue from providing goods or services	341,298	384,537
Subscriptions	325,880	349,021
Interest, dividends and other investment revenue	2,682	12,785
Other exchange revenue	-	-
<b>Total revenue from exchange transactions</b>	<b>669,860</b>	<b>746,343</b>

### 2. Non-exchange Revenue

	<b>2019</b>	<b>2018</b>
	\$	\$
Grants received	1,329,505	1,342,284
Donations received	279,898	329,324
Sponsorship and sponsorship in-kind	86,782	72,109
Other non-exchange revenue	-	-
<b>Total revenue from Non-exchange transactions</b>	<b>1,696,185</b>	<b>1,743,717</b>

A total of \$34,782 was received in 2019 (2018: \$27,459) as sponsorship in-kind and is included in sponsorship and sponsorship in-kind figure. Sponsorship in-kind services include: marketing, printing and venue costs.

Funding received from Creative New Zealand in 2019 amounted to \$855,000 (2018: \$850,000), and has been included in grants received. Funding received from Foundation North in 2019 amounted to \$60,000 (2018: \$75,000)

### 3. Other Revenue

	<b>2019</b>	<b>2018</b>
	\$	\$
Rental	23,685	12,965
Other	30,450	6,399
<b>Total other revenue</b>	<b>54,135</b>	<b>19,364</b>

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

### 4. Artistic and production

	<b>2019</b>	<b>2018</b>
	\$	\$
Artists' performance fees and costs	940,468	896,883
Marketing	290,268	358,290
Presentation	229,391	227,779
<b>Total artistic and production expenses</b>	<b>1,460,127</b>	<b>1,482,952</b>

### 5. Administration and operating

	<b>2019</b>	<b>2018</b>
	\$	\$
Bank expenses	8,748	7,178
Communication	16,010	18,831
Computer and web costs	24,354	29,042
Depreciation	22,965	21,155
Premises expenses	6,994	7,776
Rent	70,000	71,652
Salaries and wages	730,085	749,263
Other staff costs	11,079	45,643
Travel other	25,342	31,657
Board costs	3,881	6,796
Chair honorarium	-	-
Audit fees	11,000	10,300
Accounting fees	1,759	5,600
Office supplies	8,973	5,168
Receptions and functions	9,769	4,995
Insurance	5,441	5,813
Memberships	1,363	1,785
General expenses	970	1,467
<b>Total administration and operating expenses</b>	<b>958,733</b>	<b>1,024,121</b>

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

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### 6. Trade and other receivables

	<b>2019</b>	<b>2018</b>
	\$	\$
Accrued interest	436	745
Other trade receivables	472	10,428
<b>Total receivables - exchange</b>	<b>908</b>	<b>11,173</b>

### 7. Non-exchange receivables

	<b>2019</b>	<b>2018</b>
	\$	\$
Grants receivable	17,500	7,500
Other non-exchange receivables	-	-
<b>Total receivables - non-exchange</b>	<b>17,500</b>	<b>7,500</b>

### 8. Cash and cash equivalents

	<b>2019</b>	<b>2018</b>
	\$	\$
Cash at bank	345,097	426,144
Petty cash	58	193
<b>Total cash and cash equivalents in the statement of cashflows</b>	<b>345,155</b>	<b>426,337</b>

### 9. Investments

	<b>2019</b>	<b>2018</b>
	\$	\$
Kiwibank	-	-
Westpac	100,000	100,000
<b>Total Investments</b>	<b>100,000</b>	<b>100,000</b>
Current	100,000	100,000
Non-current	-	-
<b>Total Investments</b>	<b>100,000</b>	<b>100,000</b>

# Chamber Music New Zealand Trust

## Schedule of Fixed Assets

For the Year ended 31 December 2019

### 10. Property, Plant and equipment

Cost	Fitout	Furniture & Fittings	Computer Equipment	Website	Total
Balance at 1 January 2019	80,382	8,099	59,735	56,713	204,929
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>80,382</b>	<b>8,099</b>	<b>59,735</b>	<b>56,713</b>	<b>204,929</b>
Balance at 1 January 2018	71,179	8,795	37,118	56,713	173,805
Additions	9,203	-	22,617	-	31,820
Disposals	-	(696)	-	-	(696)
<b>Balance at 31 December 2018</b>	<b>80,382</b>	<b>8,099</b>	<b>59,735</b>	<b>56,713</b>	<b>204,929</b>
Accumulated depreciation	Fitout	Furniture & Fittings	Computer Equipment	Website	Total
Balance at 1 January 2019	57,475	7,200	40,428	56,713	161,816
Depreciation expense	13,287	263	9,415	-	22,965
Disposals	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>70,762</b>	<b>7,463</b>	<b>49,843</b>	<b>56,713</b>	<b>184,781</b>
Carrying amounts					
At 1 January 2018	23,924	1,455	5,002	1,069	
At 31 December 2018	22,908	899	19,307	-	43,114
At 31 December 2019	<b>9,620</b>	<b>636</b>	<b>9,892</b>	-	<b>20,148</b>

### 11. Trade and other payables

	2019	2018
	\$	\$
Trade and other payables	8,523	90,297
GST	15,912	8,217
Salary and wage accrual	-	20,038
Other accrued expenses	11,000	16,757
<b>Total trade payables</b>	<b>35,435</b>	<b>135,309</b>

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

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### 12. Holiday pay provision

	<b>2019</b>	<b>2018</b>
	\$	\$
Opening holiday pay provision	32,813	41,798
Net holiday pay movement during the year	3,231	(8,985)
<b>Total holiday pay provision</b>	<b>36,044</b>	<b>32,813</b>

### 13. Non-exchange liabilities

	<b>2019</b>	<b>2018</b>
	\$	\$
Non exchange liability	-	-
<b>Total non-exchange liabilities</b>	<b>-</b>	<b>-</b>

### 14. Deferred revenue

	<b>2019</b>	<b>2018</b>
	\$	\$
Income in advance	41,803	10,000
Subscriptions in advance	183,925	222,157
<b>Total deferred revenue</b>	<b>225,728</b>	<b>232,157</b>

Deferred revenue consists of subscription payments that were received in 2019 for the 1 January to 31 December 2020 subscription period. Along with two grants totalling \$40,975.11 which were received in 2019 for the 2020 programme.

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

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### 15. Operating leases

The trust leases premises and carparks under an operating lease with a term of 3 years. The operating lease expires November 2020.

The Trust received \$23,424 in rental income from sub-lessees in 2019. With a change in sub-lessees it is estimated that \$17,907 will be received for 2020.

	<b>2019</b>	<b>2018</b>
<b>Commitments under operating leases</b>	\$	\$
Less than one year	67,008	72,841
Between one and five years	7,577	68,976
Later than five years	-	-
	<b>74,585</b>	<b>141,817</b>

### 16. Year end commitments in excess of accumulated funds

Total accumulated funds of \$269,582 (2018: \$268,262) does not incorporate any of the following contractual commitments that had been negotiated with artists at year end. CMNZ considers there to be a practical commitment for the following financial year and, as such, has recognised all offers extended to artists as commitments.

The balance of year end commitments in excess of accumulated funds at 31 December 2019 and 31 December 2018 can be summarised as follows:

	<b>2019</b>	<b>2018</b>
<b>Commitments in excess of accumulated funds</b>	\$	\$
Artists' fees	450,750	476,400
Total accumulated funds	(269,582)	(268,262)
<b>Total commitments in excess of accumulated funds</b>	<b>181,168</b>	<b>208,138</b>

# Chamber Music New Zealand Trust

## Notes to the Financial Statements For the Year ended 31 December 2019

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### 17. Related parties

#### Transactions with key management

Executive officers and employees are on standard employment contracts.

The table below depicts the remuneration of key management personnel and the number of individuals determined on a full-time equivalent basis, to the nearest thousand.

	2019 Remuneration	Number	2018 Remuneration	Number
Chair honorarium	\$ -	1*	\$ -	1*
Executive officer (one full time)	\$ 123,000	1	\$ 122,000	1

\*not full-time

There were the following related party transactions

- Kerrin Vautier, Trust Board Chair \$6,000 towards Artistic and Production costs: Septura Brass Ensemble tour and Residency (\$5,000) and cellist, Matthew Barley's Artist Fee (\$1,000)
- Trustee, Hamish Elliott \$500 towards Artistic and Production costs
- Chief Executive, Catherine Gibson \$1,000 towards Artistic and Production costs (\$500) and Receptions and functions (\$500)

### 18. Contingent liabilities

There were no contingent liabilities at year end (2018: none).

### 19. Subsequent events

The emergence and spread of COVID-19 virus disease in early January 2020 is expected to reduce audiences due to public concerns, restrictions on public concerts and other activities. The Trustees are closely monitoring the impact of the COVID-19 virus on the Trust's operations. An estimate of its financial effect cannot be made at this stage due to the evolving nature of COVID-19 (2018: There have been no material events after balance date that require adjustment to or disclosure in the financial statements).



# Independent Auditor's Report

To the beneficiaries of Chamber Music New Zealand Trust

## Report on the financial statements

### Opinion

In our opinion, the accompanying financial statements of Chamber Music New Zealand Trust (the trust) on pages 6 to 20:

- i. present fairly in all material respects the trust's financial position as at 31 December 2019 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit).

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2019;
- the statements of comprehensive revenue and expenses, changes in net assets and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided other services to the trust in relation to an assurance engagement. Subject to certain restrictions, partners and employees of our firm may also deal with the trust on normal terms within the ordinary course of trading activities of the business of the trust. These matters have not impaired our independence as auditor of the trust. The firm has no other relationship with, or interest in, the trust.



### Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit));
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these financial statements.

A further description of our responsibilities for the audit of financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG  
Wellington

19 March 2020