

Chamber Music New Zealand Foundation

Performance Report

31 December 2020

Chamber Music New Zealand Foundation

Performance Report

For the year ended 31 December 2020

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Chamber Music New Zealand Foundation Entity Information For the year ended 31 December 2020

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 2020 the Foundation trustees were:

Paul Baines (Chair)
Greg Fleming (commenced 21 August 2020)
Gretchen La Roche
Graeme Mitchell
Helen Philpott (retired 26 March 2021)
Dr Peter Walls

Christopher Finlayson QC (retired 20 May 2020)

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.

Additional information

Independent Auditor	Moore Markhams Wellington
Banker	Westpac Wellington
Registered office	Level 1, Zephyr House, 82 Willis Street, Wellington 6011
Postal address	PO Box 11540, Manners Street, Wellington 6142
Website	www.chambermusic.co.nz

Chamber Music New Zealand Foundation
Statement of Service Performance
For the year ended 31 December 2020

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	2020	2019
Grants to CMNZ Trust		
Grant to support the cost of fundraising	30,000	60,000
Grant to support the Development Manager position	80,000	14,027
Contribution to the Regional Series	0	15,000
Contribution to Professional Development	0	12,000
Contribution to the Artistic Programme	0	10,000
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	3,400	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	3,500	3,000
Marie Vandewart Memorial Award recognising outstanding service and commitment to chamber music through the NZCT Chamber Music Contest: 2020 Susan Case	232	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	4,344	3,952
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 Expense
For the year ended 31 December 2020

	Note	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	60,720	15,720
Interest, dividends and other investment revenue	1	23,898	39,667
Total Revenue		84,618	55,387
Expenses			
Grants and donations made	2	116,900	121,427
Other expenses	2	23,114	22,588
Total Expenses		140,014	144,015
Deficit for the year		(55,396)	(88,628)
Other Comprehensive Revenue and Expenses			
Unrealised gain on Investments		86,601	151,243
Total Comprehensive Revenue and Expenses for the year		31,205	62,615

The accompanying notes form part of these financial statements

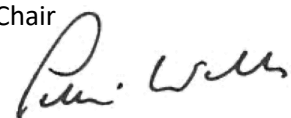
Chamber Music New Zealand Foundation
Statement of Financial Position
As at 31 December 2020

	Note	2020	2019
Assets			
Current Assets			
Bank accounts and cash	3	59,478	130,493
Term deposits	3	28,070	27,520
Accrued interest	3	127	56
Investments	3	96,544	83,455
Total Current Assets		184,219	241,524
Non-Current Assets			
Investments	3	1,224,014	1,139,296
Total Non-Current Assets		1,224,014	1,139,296
Total Assets		1,408,233	1,380,820
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	7,140	13,300
Total Current Liabilities		7,140	13,300
Total Liabilities		7,140	13,300
Total Assets less Total Liabilities (Net Assets)		1,401,093	1,367,520
Accumulated Funds			
Foundation retained earnings	6	978,789	964,523
Reserves	6	422,304	402,997
Total Accumulated Funds		1,401,093	1,367,520

For and on behalf of the trustees:



Chair



Trustee

14 May 2021

Date authorised for issue

The accompanying notes form part of these financial statements

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Chamber Music New Zealand Foundation
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020	2019
Cash flows from operating activities			
Cash was received from:			
Donations, fundraising and other similar receipts		60,720	15,720
Interest, dividends and other investment receipts		23,827	39,678
Cash was applied to:			
Payments for expenses		24,581	18,637
Donations or grants paid		116,900	71,427
Prizes awarded		4,694	3,952
Net cash flows from operating activities		(61,628)	(38,618)
Cash flows from investing and financing activities			
Cash was received from:			
Receipts from the sale of investments		-	150,000
Cash was applied to:			
Payments to purchase investments		9,387	25,889
Net cash flows from investing and financing activities		(9,387)	149,095
Net increase/(decrease) in cash		(71,015)	85,493
Opening bank accounts and cash		130,493	45,000
Closing bank accounts and cash		59,478	130,493
This is represented by:			
Bank accounts and cash	3	59,478	130,493

The accompanying notes form part of these financial statements

Chamber Music New Zealand Foundation
Statement of Accounting Policies
For the year ended 31 December 2020

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.

Statement of Accounting Policies continued
For the year ended 31 December 2020

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.

Statement of Accounting Policies continued
For the year ended 31 December 2020

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 previous years.

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2020

Note 1: Analysis of Revenue by Fund

	2020	2019
Revenue Item		
Donations, fundraising and similar revenue		
Bequests	60,000	10,000
Regular giving donations	720	720
Donations	-	5,000
	60,720	15,720
Interest, dividends and other investment revenue		
Auckland Chamber Music Society	623	900
Interest/dividends received	2,942	2,968
Portfolio investment income	20,333	35,799
	23,898	39,667
Total Revenue	84,618	55,387

Note 2: Analysis of Expenses by Fund

	2020	2019
Expense Item		
Grants and donations made		
Chamber Music New Zealand Trust	110,000	116,027
Trevkel Trust	3,500	3,000
Hamilton Chamber Music Society	3,400	2,400
	116,900	121,427
Other expenses		
Auckland Chamber Music Society (ACMS) Prize	4,344	3,952
ACMS travel and other expenses	685	561
Foundation general expenses	6,009	6,676
Timaru IRMT Prize	350	350
Marie Vandewart Trust	232	234
Portfolio management fee	11,494	10,815
	23,114	22,588
Total Expenses	140,014	144,015

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2020

Note 3: Analysis of Assets

	2020	2019
Bank accounts and cash		
Bank account call	54,779	124,199
Bank ACMS account	4,699	6,294
	59,478	130,493
Debtors and prepayments		
CMNZ Trust receivable	-	-
Interest and dividends accrued	127	56
Prepayments	-	-
	127	56
Term deposit (ACMS)		
Term deposit	28,070	27,520
	28,070	27,520
Non-current investments (ACMS)		
Vector capital bonds maturing 15.06.2022	23,000	23,000
Spark shares	30,080	27,712
	53,080	50,712
Trustees Executors portfolio		
Current CMNZ Foundation	96,544	83,455
Non-current CMNZ Foundation	826,275	769,877
Auckland Chamber Music Society	36,363	33,625
Marie Vandewart Trust	18,504	17,111
Trevkel Trust	261,721	242,014
Hamilton Chamber Music Society	28,071	25,957
	1,267,478	1,172,039

Note 4: Analysis of Liabilities

	2020	2019
Creditors and accrued expenses		
Accrued review fee	4,313	3,300
CMNZ Trust Payable	2,827	10,000
	7,140	13,300

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2020

Note 5: Non-Monetary Donated Assets

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

2020				
Description	Accumulated surpluses or (deficits)	Foundation investment revaluation reserve	Reserves	Total
Opening balance	740,259	224,265	402,997	1,367,520
Deficit	(48,787)	-	(6,609)	(55,396)
Transfer to reserves	-	2,368	-	2,368
Investment revaluation reserve	-	60,684	25,917	86,601
Closing balance	691,472	287,317	422,305	1,401,093

2019				
Description	Accumulated surpluses or (deficits)	Investment revaluation reserve	Reserves	Total
Opening balance	827,240	114,149	362,364	1,303,753
Surplus/(deficit)	(86,981)	-	(1,647)	(88,628)
Transfer to/from reserves	-	1,152	-	1,152
Investment revaluation reserve	-	108,964	42,279	151,243
Closing balance	740,259	224,265	402,997	1,367,520

Note 6: Changes in Accumulated Funds

Nature and purpose of each reserve

The reserves are maintained to enable the Foundation to fulfil 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.

	2020	2019
Opening balance	116,698	111,284
Plus surplus/(deficit)	(1,245)	(77)
Plus unrealised investment revaluation gain	4,853	5,491
Closing balance	120,306	116,698

Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2020

Hamilton Chamber Music Society Reserve

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

	2020	2019
Opening balance	24,958	24,474
Plus surplus/(deficit)	(3,205)	(2,866)
Plus unrealised investment revaluation gain	1,909	1,918
Closing balance	<u>23,671</u>	<u>24,958</u>

Marie Vandewart Trust Reserve

Marie Vandewart Memorial Award recognising outstanding service and commitment to chamber music through the NZCT Chamber Music Contest: 2020 Susan Case.

	2020	2019
Opening balance	16,877	14,585
Plus surplus/(deficit)	(107)	84
Plus unrealised investment revaluation gain	1,264	2,208
Closing balance	<u>18,034</u>	<u>16,877</u>

Timaru IRMT Reserve

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

	2020	2019
Opening balance	2,450	2,800
Plus surplus/(deficit)	(350)	(350)
Plus unrealised investment revaluation gain/(loss)	-	-
Closing balance	<u>2,100</u>	<u>2,450</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.

	2020	2019
Opening balance	242,013	209,221
Plus surplus/(deficit)	(1,702)	1,562
Plus unrealised investment revaluation gain/(loss)	17,882	31,230
Closing balance	<u>258,193</u>	<u>242,013</u>

Total Reserves

	2020	2019
Opening balance	402,997	362,364
Plus surplus/(deficit)	(6,609)	(1,647)
Plus unrealised investment revaluation gain/(loss)	25,562	25,917
Closing balance	<u>422,305</u>	<u>402,997</u>

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Chamber Music New Zealand Foundation
Notes to the Performance Report
For the year ended 31 December 2020

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:

	2020	2019
Financial Assets		
<i>Loans and receivables</i>		
Cash and cash equivalents	59,478	130,493
Term deposits	28,070	27,520
<i>Available for sale</i>		
Investments - current	96,544	83,455
Investments - non-current	1,170,933	1,088,581
	1,355,025	1,330,049
Financial Liabilities		
<i>At amortised cost</i>		
Creditors and accrued expenses	7,140	13,300

Note 7: Commitments

	2020	2019
Commitment to provide grant		
To support the CMNZ Trust Development Manager position.	-	14,027

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

As at 31 December 2020 the value of investment assets managed by Trustees Executors on behalf of the Foundation was \$1,267,478. At 31 March 2021 the value was \$1,292,157.

Note 11: Other Disclosures

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.

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 14, 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 2020, the statement of financial position as at 31 December 2020, and the statement of accounting policies and other explanatory information.

The responsibility of the Board for the performance report

The Board 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 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 2020 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
14 May 2021