

Stacey Wilson

Chartered Accountant

Audit Report

To the Readers of the financial report of Wellington Youth Orchestra Incorporated

I have audited the financial report of Wellington Youth Orchestra Incorporated. This is made up of Statements of Financial Performance for the Wellington Youth Orchestra and the Wellington Youth Sinfonietta, a Statement of Movements in Equity, a Statement of Financial Position and Notes to the Financial Statements. The financial report provides information about the past financial performance of Wellington Youth Orchestra Incorporated and its financial position as at 31 December 2006. The information is stated in accordance with the accounting policies set out in the Notes to the Financial Statements.

Board's Responsibilities

The Board is responsible for the preparation of a financial report which fairly reflects the financial position of Wellington Youth Orchestra Incorporated as at 31 December 2006 and of the results of operations for the year ended 31 December 2006.

Auditor's Responsibilities

It is my responsibility to express an independent opinion on the financial report presented by the Board and report my opinion to you.

38B Friend Street
Karori, Wellington
Phone: (04) 476 4283

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- The significant estimates and judgements made by the Board in the preparation of the financial report, and
- Whether the accounting policies are appropriate to Wellington Youth Orchestra Incorporated's circumstances, consistently applied and adequately disclosed.

I conducted my audit in accordance with New Zealand Auditing Standards. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide myself with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in my capacity as auditor I have no relationship with or interests in Wellington Youth Orchestra Incorporated.

Qualified Opinion

I have obtained all the information and explanations I have required.

In common with other organisations of a similar nature, control over the income prior to its being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

Subject to the possible effect of the limited control over income referred to in the preceding paragraph, in my opinion the financial report fairly reflects the financial position of Wellington Youth Orchestra Incorporated as at 31 December 2006 and the results of operations for the year ended on that date.

My audit was completed on 16 April 2006 and my qualified opinion is expressed as at that date.



Stacey Wilson CA

Wellington

WELLINGTON YOUTH ORCHESTRA INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

CONTENTS

Auditor's Report

Statements of Financial Performance

Statement of Movements in Equity

Statement of Financial Position

Notes to the Financial Statements

WELLINGTON YOUTH ORCHESTRA INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2006

WELLINGTON YOUTH SINFONIETTA

2005	Income	Notes	Budget 2006	Actual 2006
\$			\$	\$
8,500	Subscriptions		10,500	5,484
2,000	Grants	4	3,500	-
13,422	Donations	5	12,500	11,675
1,525	Hawkes Bay visit contribution		0	0
(15)	Concert ticket sales		350	0
0	Other concert revenue		750	485
315	Interest		0	0
	Miscellaneous income		0	0
25,747	Total Income		27,600	17,645

Expenditure	2005	Notes	Budget 2006	Actual 2006
			\$	\$
Musical Director	12,500		12,500	12,500
* Tutors	0		2,000	1,629
Concert expenses	901		1,200	500
Concert programmes	74		170	850
Advertising	0		90	0
Rehearsal room hire	1,155		2,200	0
Catering	1,324		1,400	123
Music	64		1,070	2,222
10th anniversary commission	129		0	0
Transport	4,236		450	434
Manawatu/Hawkes Bay visit	0		3,100	1,551
Scholarships	68		1,230	0
Administration	0		90	4
20,916	Total Expenditure		26,910	20,021

Share of joint costs	2005	Notes	Budget 2006	Actual 2006
			\$	\$
JC Administration	55		100	16
JC Audit fees	167		160	70
JC Instrument repairs & mtce	243		400	122
JC Insurance	0		750	0
4,831	Net Surplus (or Deficit)		690	(2,376)

Notes:

* Tutor costs are net of substantial uncharged time contributed this year by the NZSO.
All figures are net of GST.

WELLINGTON YOUTH ORCHESTRA INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2006

WELLINGTON YOUTH ORCHESTRA

2005	Notes	Budget 2006	Actual 2006
\$		\$	\$
Income			
2,956		3,800	3,564
1,500	3	2,000	8,870
27,561	5	30,500	17,350
1,991		5,000	4,663
3,503		2,000	1,887
2,156		1,700	3,039
148		100	-
39,815		45,100	39,374
Expenditure			
15,000		15,000	15,188
0		500	0
18,705		12,500	13,965
0		800	2,407
0		2,000	803
1,488		2,500	0
436		1,200	1,304
178		2,000	2,555
113		3,600	3,316
0		2,000	0
		300	620
149			
178		140	98
333		333	430
757		500	0
0		1,200	0
37,337		44,573	40,688
2,478		527	(1,314)

Notes:

* Tutor costs are net of substantial uncharged time contributed this year by the NZSO.
All figures are net of GST.



WELLINGTON YOUTH ORCHESTRA INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006

2005	Notes	2006
\$	\$	\$
Wellington Youth Orchestra -		
Accumulated funds at beginning of year		41,297
Net surplus (deficit) for year		(1,314)
Accumulated funds at end of year		<u>39,984</u>
Wellington Youth Sinfonietta -		
Accumulated funds at beginning of year		14,494
Net surplus (deficit) for year		(2,376)
Accumulated funds at end of year		<u>12,117</u>
Unallocated Equity (fixed assets) -		
Accumulated funds at beginning of year		19,338
Assets cost written off	9	0
Accumulated funds at end of year		<u>19,338</u>
Total Equity -		
Accumulated funds at beginning of year		75,128
Net surplus (deficit) for year		(3,690)
Accumulated funds at end of year		<u>71,438</u>

The accompanying Notes form part of these Financial Statements.

WELLINGTON YOUTH ORCHESTRA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1 Statement of accounting policies

(1) Reporting entity

Wellington Youth Orchestra Incorporated is incorporated under the Incorporated Societies Act 1908 and is subject to the provisions of the Act.

(2) General accounting policies

These financial statements are general purpose financial statements and have been prepared in accordance with generally accepted accounting practice.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are applied in these financial statements.

(3) Particular accounting policies

(a) Accounts receivable

Accounts receivable are valued at expected realisable value.

(b) Fixed assets

Fixed assets consist of musical instruments and are stated at cost. No depreciation is charged on these assets, which have a current value in excess of cost.

(c) Taxes

The Society is registered for Goods and Services Tax and these statements are prepared on a GST exclusive basis.

The Society has been granted an exemption from income tax on non-business income, provided that such income is applied for charitable purposes. Donations to the Society qualify for income tax rebates to donors (up to specified maximum limits).

(d) Differential reporting

The Society is not publicly accountable and is not large. It therefore qualifies for differential reporting in respect of accounting standards, and all appropriate exemptions have been applied.

(e) Voluntary services

The work of the Society is dependent on the voluntary services of many members. Due to the difficulty in determining the monetary value of these services with sufficient reliability, donated services are not recognised in these financial statements.

WELLINGTON YOUTH ORCHESTRA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

(4) Changes in accounting policies

- 1** There have been no changes in accounting policies during the year under review. Those policies have been consistently applied.

2 Principal activity

The principal activity is the promotion of symphonic music to the youth of the Wellington region.

	2005	2006
	\$	\$
3 Grants to Wellington Youth Orchestra		
Community Grants Foundation	0	6,203
Wellington City Council	1,500	0
Lion Foundation	0	2,667
Winton and Margaret Bear Charitable Trust	0	0
	<u>1,500</u>	<u>8,870</u>
4 Grants to Wellington Youth Sinfonietta		
Winton and Margaret Bear Charitable Trust	0	0
Wellington City Council	2,000	0
	<u>2,000</u>	<u>0</u>
5 Donations		
To Wellington Youth Orchestra:		
NZ Community Trust	15,000	15,000
Lion Foundation	3,000	0
Marie Stephens Trust	0	0
Pelorus Trust	870	0
Charitable Trust Foundation	6,011	0
Donations up to \$1,000 each	2,680	2,350
	<u>27,561</u>	<u>17,350</u>
To Wellington Youth Sinfonietta:		
NZ Community Trust	12,500	11,675
Pelorus Trust	130	0
Donations up to \$1,000 each	792	0
	<u>13,422</u>	<u>11,675</u>

WELLINGTON YOUTH ORCHESTRA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

2005		2006
\$		\$
	6	
	Cheque account	
8,042	At WestpacTrust	4,063
	7	
	Deposit account	
	At WestpacTrust -	
1,971	Savers Fund	7,163
10,000	Matures 22 March 2007	10,000
33,000	Matures 17 May 2008	33,000
<u>44,971</u>		<u>50,163</u>
	8	
	Joint Costs	
	Joint costs not directly attributable to either orchestra were allocated 2/3rds to Wellington Youth Orchestra and 1/3rd to Wellington Youth Sinfonietta.	
	9	
	Fixed assets (at historical cost)	
19,338	Musical instruments	19,338

10 11 12 13