

**WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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FOR THE YEAR ENDED 31 DECEMBER 2007

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**WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

2007 was a significant "step up" for the Orchestra. Marc Taddei took up his appointment as the Orchestra's first ever Music Director, setting new goals and standards for the VWO. His aims for 2007 were to make the VWO:

- an orchestra that meets the needs of its community;
- an orchestra that exceeds the expectations of its community;
- an orchestra that achieves ever greater levels of artistic excellence and is critically acclaimed throughout New Zealand for its outstanding quality; and
- an orchestra that supports the wider arts industry and collaborates with world class New Zealand talent in music and the wider New Zealand arts community.

I do not think that there can be any doubt that we succeeded in meeting these aims. VWO's contribution to the arts scene in the region in 2007 was enormous and wide spread - supporting the national opera and ballet seasons in Wellington and Palmerston North, the season of *Fiddler on the Roof*, the opening of the Vector Arena in Auckland, Nelson's popular Opera in the Park concert, a season of Gilbert and Sullivan, Orpheus Choir concerts - the list goes on and on. Musical life in the region would be unsustainable without the hard work and professionalism of our players and the reviews of the Orchestra's playing were excellent - '*supported by riveting playing from the Vector Wellington Orchestra*' (John Button, reviewing *Turandot* in The Dominion Post).

In 2007 we launched our Wellington subscription series consisting of four concerts - in previous years we presented only two in Wellington. Marc produced programmes that were both innovative and challenging but which had appeal to a wide range of people. Audiences responded and numbers were significantly higher than in previous years with the John Psathas/Beethoven concert selling out. We continued our role as a regional orchestra and presented concerts and educational programmes in Masterton, Wanganui, Palmerston North and Napier. Our new initiative *Circus Proms*, presented in association with the Wellington Circus Trust, was a huge success; *Baby Proms* continued to be very popular; and our annual outdoor concert in the grounds of Government House sold out. We featured an impressive number of New Zealand artists on our concert platform including Michael Houston, John Chen, the Orpheus Choir, Footnote Dance, Java Dance Company, Patricia Wright, Carmel Carroll, Richard Greager, Roger Wilson, Jenny Wollerman, and Helen Medlyn.

As is always the case in the Arts, not every initiative was as successful as we had hoped. The schools' presentation of a short animated film of *The Ring* did not achieve the level of support we were targeting and our co-production of *Video Games Live* also didn't attract the size of audience we had expected. However we were proud of both innovative programmes, and the response from those attending was very enthusiastic.

It is appropriate here for me to thank and pay tribute to Marc Taddei for his inspirational work with the Orchestra over the past year. And the cherry on the top is that we have ended the year on the positive side of the balance sheet and with solid reserves.

All of the above is only achievable with the help of our generous sponsors. I begin by extending our grateful thanks to our principal sponsor Vector, whose financial

support has given us the confidence to grow and expand our activities. I particularly wish to acknowledge and thank Creative New Zealand for its increased funding and its commitment to that funding level for both 2007 and 2008, again giving us confidence in our programming. Thanks also to the Todd Corporation and our major funding bodies, Wellington City Council, The Community Trust of Wellington, New Zealand Community Trust, and the Lion Foundation. We also recognise the contributions of Palmerston North City Council, Hutt City Council, Masterton District Council, Eastern and Central Community Trust, Masterton Lands Trust, Masterton Licensing Trust, Wairarapa Building Society, and Greytown District Lands Trust to the Orchestra's promotions in 2007 and we thank the Perry Foundation for its donation that enabled us to purchase a new keyboard. Sincere thanks also to our corporate sponsors, OMV, ABN AMRO and ABN AMRO Craigs, New Zealand Van Lines, Grant Thornton, and Museum Hotel. We acknowledge the continuing pro bono support of our solicitors, Chapman Tripp and thank them particularly for the work that they put in to our application for Charities Commission registration. We have a strong and loyal body of Gold Friends and Friends and we wholeheartedly thank them for their valuable support.

The heart and soul of the Vector Wellington Orchestra are our players, led by concertmaster Matthew Ross. They are our greatest asset and are enormously talented and versatile. I thank them together with our hard working staff, General Manager Christine Pearce, Rachel McLarin, Colin Forbes-Abrams, Kurt Gibson and Dawn Sanders. I also acknowledge the work of my fellow Board members who generously gave their time and expertise to the Vector Wellington Orchestra during 2007.

Finally I would like to pay tribute to Arthur Duncan who was made a life member of the Orchestra in 1996 and who sadly passed away last year. Arthur's involvement with the Orchestra spanned forty years - he was a board member, acting General Manager for a time and, when required, a stage manager and an operations manager. He was a great friend and supporter of the Orchestra, assiduously attending every AGM. He is sorely missed.

We look forward to 2008 with confidence. If 2007 was a step up, then 2008 promises to be a great leap forward!

Donald Holborow  
Chair  
Vector Wellington Orchestra



## Audit Report

### **The Members of the Wellington Regional Orchestra Foundation Inc**

**Grant Thornton**  
PO Box 10712  
Level 13  
AXA Centre  
80 The Terrace  
Wellington 6143  
New Zealand

T +64 (0)4 474 8500  
F +64 (0)4 474 8509  
E [info@gtwn.co.nz](mailto:info@gtwn.co.nz)  
[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

We have audited the financial report on pages 6 to 14. The financial report provides information about the past financial performance of the Wellington Regional Orchestra Foundation Inc and its financial positions as at 31 December 2007. This information is stated in accordance with the accounting policies set out on pages 10 to 11.

#### **Board of Management Responsibilities**

The Board of Management are responsible for the preparation of a financial report which fairly reflects the financial position of the Wellington Regional Orchestra Foundation Inc as at 31 December 2006 and of the results of operations for the year ended on that date.

#### **Auditors' Response**

It is our responsibility to express to you an independent opinion on the financial report presented by the Board of Management.

#### **Basis of Opinion**

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

- the significant estimates and judgements made by the Board of Management in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Wellington Regional Orchestra Foundation Inc's circumstances, consistently applied and adequately disclosed.

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

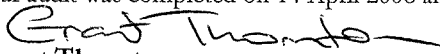
Other than in our capacity as auditor we have no relationship with, or interests in, the Wellington Regional Orchestra Foundation Inc.

#### **Unqualified Opinion**

We have obtained all the information and explanations that we have required.

In our opinion the financial report on pages 6 to 14 fairly reflects the financial position of the Wellington Regional Orchestra Foundation Inc as at 31 December 2007 and the results of its operations for the year ended on that date.

Our audit was completed on 14 April 2008 and our unqualified opinion is expressed as at that date.

  
**Grant Thornton**  
**Wellington**

WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007	2006
<b>INCOME</b>			
Concert Takings and Programme Sales		363,403	262,440
Creative New Zealand Funding	7	285,000	235,000
Grants and Donations	8	95,038	78,510
Interest Received		20,547	18,262
Profit on Sale of Fixed Assets		2,000	-
Recording Fees		18,160	16,482
Sponsorship	9	127,000	95,975
Sponsorship (in kind)		6,000	6,000
User Fees		683,328	732,765
Wellington City Council Grants	10	96,477	65,000
		<hr/>	<hr/>
<b>Total Income</b>		1,696,953	1,510,434
 <b>ORCHESTRAL EXPENSES</b>			
Cartage/Freight		38,213	30,393
Concert Promotion		139,956	70,091
Conductors and Soloists Fees and Expenses		110,749	129,240
Depreciation Orchestra		5,427	4,221
Government House Concert Expenses		120,893	115,556
Hire Halls		61,682	38,993
Hire Music and Arranging		19,067	37,111
Hire Orchestral Equipment		14,696	6,921
Maintenance/Storage Orch. Equipment		5,469	3,768
Orchestra Accommodation and Transport		34,829	48,280
Orchestra Fees and Allowances		807,826	760,871
Other Orchestral Expenses		31,818	10,198
Programme Production		12,319	7,914
Ticketing Costs		25,230	15,807
		<hr/>	<hr/>
<b>Total Orchestral Expenses</b>		<u>\$1,424,174</u>	<u>\$1,279,364</u>

The accompanying Notes form part of the Financial Statements.



WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

STATEMENT OF FINANCIAL PERFORMANCE (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
<b>OPERATING SURPLUS</b>	268,779	231,070
<b>ADMINISTRATION EXPENSES</b>		
Audit Fees	3,000	3,000
Bank Charges	2,155	1,314
Communications	50,556	44,667
Corporate Promotion	37,874	45,989
Depreciation	1,508	805
Insurance	3,574	5,141
Other administration expenses	5,416	3,298
Rent, Office, Light and Power	13,110	12,780
Salaries and Wages	126,778	116,873
Subscriptions Paid	507	428
Travelling Expenses Admin	4,894	6,207
<b>Total Administration Expenses</b>	<u>249,372</u>	<u>240,502</u>
<b>NET/(DEFICIT) SURPLUS</b>	<u>\$19,407</u>	<u>\$(9,432)</u>

The accompanying Notes form part of the Financial Statements.



WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
Equity at beginning of the year	234,144	243,576
Net surplus/(deficit) for the year	<u>19,407</u>	<u>(9,432)</u>
<b>EQUITY AT END OF YEAR</b>	<b><u>\$253,551</u></b>	<b><u>\$234,144</u></b>

The accompanying Notes form part of the Financial Statements.

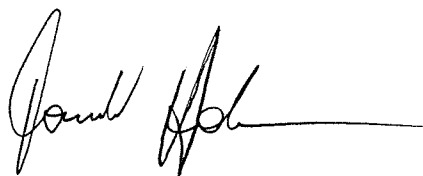


## WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

## STATEMENT OF FINANCIAL POSITION

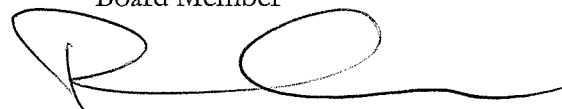
AS AT 31 DECEMBER 2007

	Notes	2007	2006
<b>Current Assets</b>			
Petty Cash		50	50
Bank	5	266,521	236,881
Receivables and Prepayments	2	91,415	81,164
		<u>357,986</u>	<u>318,095</u>
<b>Current Liabilities</b>			
Creditors and Accruals		21,522	30,313
GST Payable		332	17,148
Revenue in Advance		156,093	102,771
		<u>177,947</u>	<u>150,232</u>
<b>Total Current Liabilities</b>			
		<u>180,039</u>	<u>167,863</u>
<b>WORKING CAPITAL</b>			
<b>Fixed Assets</b>	3	<u>73,512</u>	<u>66,281</u>
<b>NET ASSETS</b>		<u>\$253,551</u>	<u>\$234,144</u>
<b>Equity</b>			
Accumulated Funds		234,144	243,576
Net (Deficit)/Surplus for the year		19,407	(9,432)
		<u>253,551</u>	<u>234,144</u>
<b>TOTAL EQUITY</b>		<u>\$253,551</u>	<u>\$234,144</u>



Chairman

Board Member



Dominic Croghan

The accompanying Notes form part of the Financial Statements.



# WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

### 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 'Vector Wellington Orchestra'. The financial statements have been prepared using generally accepted accounting practice.

#### Differential Reporting

Due to its size the Wellington Regional Orchestra Foundation qualifies under the differential reporting regime. It has taken full advantage of all differential reporting exemptions available.

#### Measurement Base

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position and unless otherwise stated is historic cost.

#### 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.
- Fixed Assets - Stated at cost less accumulated depreciation.
- 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 years (20%)
  - Office and Stage Furniture 10 years (10%)
  - Musical Instruments 5-10 years (10%-20%)



**WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

- |                       |   |
|-----------------------|---|
| Receivables           | - Trade debtors are valued at expected realisable value after providing for doubtful and non-collectable debts.   |
| Employee Entitlements | - The liability for annual leave has been calculated on an actual entitlement basis at the current rate of pay.   |
| Non-Cash Transactions | - Non-cash transactions arise where there is an exchange of goods and services or the acquisition of assets. These transactions are recognised at a consideration value of the lower of assessed cost or market value. There is usually no effect on the net surplus as transactions of equal value are recorded in both income and expenditure categories. However, when assets are acquired in a non-cash transaction, the value of the asset is recognised as income in the year received and then expensed over its useful life in accordance with the depreciation policy. |

**Goods and Services Tax**

The financial statements have been prepared on a GST exclusive basis, with the exception of receivables and creditors which are stated inclusive of GST.

**Changes in Accounting Policies**

There have been no material changes in the accounting policies for the year. All policies have been applied on bases consistent with those in previous years.

**2. RECEIVABLES AND PREPAYMENTS**

Trade debtors of \$11,604 (2005: \$34,135) are included in this total.



## WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## FOR THE YEAR ENDED 31 DECEMBER 2007

## 3. FIXED ASSETS

## Fixed Assets 31 December 2007

	<i>Fixed Assets at Cost</i>	<i>Accum. Depcn. to 31/12/06</i>	<i>Depcn. Expense for the period</i>	<i>Closing Book Value</i>
Administration	10,642	6,139	1,508	4,503
Orchestral	<u>107,734</u>	<u>38,725</u>	<u>5,427</u>	<u>69,009</u>
	<u>\$118,376</u>	<u>\$44,864</u>	<u>\$6,935</u>	<u>\$73,512</u>

## Fixed Assets 31 December 2006

	<i>Fixed Assets at Cost</i>	<i>Accum. Depcn. to 31/12/06</i>	<i>Depcn. Expense for the period</i>	<i>Closing Book Value</i>
Administration	7,630	4,631	805	2,999
Orchestral	<u>98,579</u>	<u>35,297</u>	<u>4,221</u>	<u>63,282</u>
	<u>\$106,209</u>	<u>\$39,928</u>	<u>\$5,026</u>	<u>\$66,281</u>

## 4. CAPITAL COMMITMENTS/CONTINGENT LIABILITIES

The Wellington Regional Orchestra Foundation Inc has no commitments or contingent liabilities at 31 December 2007 (2006: \$Nil).

## 5. BANKING ARRANGEMENTS

The Wellington Regional Orchestra Foundation Inc has a range of current and term deposit accounts at the National Bank of New Zealand, 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 the National Bank have been aggregated.

## 6. SUBSEQUENT EVENTS

There have been no events subsequent to balance date that effect the financial statements (2006: \$Nil).



**WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

**7. CREATIVE NEW ZEALAND FUNDING**

The Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) and the Vector Wellington Orchestra have a Multi-year Funding Agreement for two years commencing 1 January 2007.

8. GRANTS AND DONATIONS	2007	2006
Bay Trust	-	650
Community Trust of Wellington	21,000	4,378
Eastern & Central Community Trust	3,000	3,000
Friends Scheme	5,093	3,607
Greytown District Land Trust	500	500
Hutt City	4,000	4,000
Lion Foundation	20,000	20,000
Masterton District Council	-	500
Masterton Trust Lands Trust	5,000	5,000
New Zealand Community Trust	25,000	30,000
Other Private Donations	1,039	763
Palmerston North District Council	2,758	2612
Perry Foundation	3,648	-
Trust House Charitable Trust	2,000	2,000
Wairarapa Building Society	2,000	1,500
	<u>\$95,038</u>	<u>\$78,510</u>



WELLINGTON REGIONAL ORCHESTRA FOUNDATION INC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

9. SPONSORSHIP

Vector is the principal sponsor of the Vector Wellington Orchestra and provides the following funding.

	2007	2006
- Principal sponsorship	45,000	35,000
- Government House Concert	<u>52,000</u>	<u>50,975</u>
	97,000	85,975

Other sponsors are:

- Todd Corporation	15,000	10,000
- ABN AMRO NZ Ltd	7,500	-
- OMV New Zealand Ltd	7,500	-
	<u>\$127,000</u>	<u>\$95,975</u>

10. WELLINGTON CITY COUNCIL GRANTS

Wellington City Council and the Vector Wellington Orchestra have entered into a three year Annual Plan Partner Contract commencing 1 July 2006.

	2007	2006
Annual Plan Partner Contract	57,476	50,000
Other grants:-		
- Government House Concert	10,000	15,000
- Other	20,000	-
- Circus Proms	9,000	-
	<u>\$96,476</u>	<u>\$65,000</u>

11. OPERATING LEASE COMMITMENTS

The Wellington Regional Orchestra has obligations payable after Balance Date on non-cancellable premises leases, as follows:

	2007	2006
Within 1 Year	10,570	9,100
Within 1 - 2 Years	10,570	4,550
Within 2 - 5 Years	31,709	-

