AUCKLAND PHILHARMONIA TRUST
CONSOLIDATED AND SEPARATE GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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DIRECTORY

Registered office	301-303 Queen Street Level 1 Auckland 1010
Nature of business	New Zealand's full-time professional metropolitan orchestra
Patrons	Dame Jenny Gibbs DNZM Dame Rosanne Meo, DNZM, OBE Dame Kiri Te Kanawa, DBE,ONZ Barbara Glaser
Trust Board Members	Geraint A. Martin (Chair) Gordon Hill Pare Keiha Oliver Sealy Elizabeth Kerr (Resigned June 2023) Sylvia Ding Kate Vennell Lucy Whineray Lizzie Marvelly (Appointed 7 February 2023)
Charity number	CC23611
Independent auditor	BDO Auckland 4 Graham Street Auckland Central
Banker	ASB Bank Limited

AUCKLAND PHILHARMONIA TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Responsibility for General Purpose Financial Statements

The Auckland Philharmonia Trust Board members are pleased to present the approved General purpose financial report which includes the financial statements for the financial year end 31 December 2023 and the statements of service performance and the independent auditor's report thereon.

The Board and management accept responsibility for the preparation of the General purpose financial report and judgments used in them, and hereby adopt the General purpose financial statements as presented. In the opinion of the Board and management, the General purpose financial report for the year ended 31 December 2023, fairly reflect the financial position, financial performance, and cash flows, and service performance of Auckland Philharmonia Group which comprises Auckland Philharmonia Trust and Auckland Philharmonia Foundation.

APPROVED

Geraint A. Martin
Board Chair

Date: 25th March 2024

Trustee

Date: 25th March 2024

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF AUCKLAND PHILHARMONIA TRUST

Opinion

We have audited the consolidated and separate general purpose financial report of Auckland Philharmonia Trust ("the Trust") and its controlled entity (together, "the Group"), which comprise the consolidated and separate financial statements on pages 10 to 35, and the consolidated statement of service performance on pages 8 to 9. The complete set of consolidated and separate financial statements comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive revenue and expense, consolidated and separate statements of changes in net assets/equity, consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated and separate financial position of the Group as at 31 December 2023, and (of) its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2023, in accordance with the Group's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated and separate financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to audit services, our firm has a sponsorship arrangement with the Trust. The firm has no other relationship with, or interests in, the Trust or its controlled entity.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is statement of responsibility contained in the general purpose financial report, but does not include the consolidated service performance information and the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated service performance information and consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

BDO Auckland

In connection with our audit of the consolidated service performance information and consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated service performance information and the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibilities for the General Purpose Financial Report

Those charged with governance are responsible on behalf of the Group and Trust for:

(a) the preparation and fair presentation of the consolidated and separate financial statements and consolidated service performance information accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated and separate financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report those charged with governance are responsible for assessing the Group's and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Group or Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole, and the consolidated service performance information are free from material misstatement, whether due to fraud or error, and to issue an 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) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an 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 Trust and the Trust's Trustees as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
25 March 2024

CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE

Vision and Mission

The Auckland Philharmonia is the musical heart of Auckland and its communities and inspires a life-long love of orchestral music.

Ko Te Rāngai Puoro o Tāmaki te hā o te oro ki Tāmaki whānui, ā, ka whakaoho i te manawaroa ki te ao rāngai puoro.

About Us

The Auckland Philharmonia is New Zealand's designated metropolitan orchestra, serving Tāmaki Makaurau Auckland, the country's largest and most vibrant city, with concerts and events throughout the year.

Each year the Auckland Philharmonia presents a comprehensive season of symphonic work, showcasing many of the world's finest classical musicians, as well as exciting collaborations with some of New Zealand's most inventive contemporary artists. The Auckland Philharmonia is renowned for its innovation, passion and versatility.

Through Auckland Philharmonia Learn & Participate, an extensive programme of education and outreach initiatives, the Auckland Philharmonia engages with young people and adults throughout the community each year.

The Auckland Philharmonia Foundation provides financial and other assistance to support the ongoing sustainability and development of the Auckland Philharmonia as a professional orchestra.

SERVICE PERFORMANCE MEASURES

	2023	2022
MEASURE 1: EXCELLING AS A METROPOLITAN ORCHESTRA		
NUMBER OF SELF-PRESENTED CONCERTS See Notes: 1&4	64	66
MEASURE 2: INSPIRING AND EDUCATING THROUGH MUSIC		
TICKETS ADMINISTERED FOR STUDENTS AND TEACHERS AT AUCKLAND PHILHARMONIA SPECIALIST SCHOOLS' CONCERTS (EG DISCOVERY, KIWI KAPERS) See Notes: 1&4	4443	4688
AUCKLAND PHILHARMONIA LEARN & PARTICIPATE EVENT DELIVERY HOURS See Notes: 1&2	971	743
MEASURE 3: CELEBRATING NEW ZEALAND		
NUMBER OF AUCKLAND PHILHARMONIA STRATEGIC PARTNERSHIPS WITH NEW ZEALAND ORGANISATIONS See Notes: 3	13	12
NUMBER OF NEW ZEALAND WORKS PERFORMED (INCLUDES AUCKLAND PHILHARMONIA COMMISSIONS, ARRANGEMENTS AND OTHER EXISTING WORKS BY NZ COMPOSERS) See Notes: 4&5	34	37
NUMBER OF NEW ZEALAND ARTIST ENGAGEMENTS See Notes: 4&5	103	110

CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE

(CONTINUED)

MEASURE 4: INVESTMENT PERFORMANCE		
ANNUALISED RETURNS OVER 10 YEARS ANNUALISED. See Notes: 6	6.26%	6.92%
MEASURE 5: TO MAINTAIN AND GROW A SUSTAINABLE LEVEL OF GRANTS TO THE AUCKLAND PHILHARMONIA		
AVERAGE GRANT OVER 5 YEARS	$329,046	$333,790
MEASURE 6: SUPPORT THE AUCKLAND PHILHARMONIA AND ITS MUSICIANS TO HAVE A SUITABLE FACILITY FOR REHEARSAL		
ACHIEVED See Notes: 7	Not Achieved	Partly

Notes

1. Auckland Philharmonia collects and records data in the following ways:
    a. Performance and attendance data for ticketed events is gathered via our Ticketing/CRM system Tessitura.
    b. Performance and attendance data for free community events is gathered via headcount and/or manual clicker by venue front of house staff.
    c. Attendance and participation data for educational programmes is gathered via online registration/booking forms.
    d. If concerts are presented more than once per day, each performance is counted separately.
2. Education event delivery hours are gathered via staff timesheets/diary appointments, email bookings from schools, and performance/orchestra/staff scheduling tool ArtsVision.
3. Data is as reported to ARAFA and aligning with Auckland Philharmonia Trust five-year strategy.
4. All performance, repertoire and artist engagements are documented in ArtsVision, the performance/orchestra/staff scheduling tool. This is populated via artist contracts, and/or email confirmation with artists. Artists and/or composers may be engaged for multiple activities and are counted for each performance/activity.
5. A New Zealand composer and/or artist is an NZ citizen or resident, or a person entitled to live and work in NZ at the time of the engagement. Does not include orchestra members when performing as the orchestra but does include individual orchestra members when performing in a different capacity eg. guest/soloist/conductor/presenter
6. The 10-year annualised return was affected by volatile markets and unrealised losses on equity and fixed income holdings.
7. In 2023, the Auckland Philharmonia Foundation trustees withdrew the venue from use by the Orchestra as the need for extensive repairs made it no longer an operable space for rehearsals. Following further investigation of the condition, in December 2023 Trustees resolved to fully impair the value of the venue given that it can no longer be used for its intended purpose as a physical space for the Orchestra. The Auckland Philharmonia Foundation has formed a project group with the Auckland Philharmonia Trust to identify options and funding requirements for the future physical space needs of the Orchestra.

AUCKLAND PHILHARMONIA TRUST
CONSOLIDATED AND SEPARATE GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated and Separate Statement of Comprehensive Revenue and Expense

		Auckland Philharmonia Trust		Group	
	Notes	2023	2022	2023	2022
		$	$	$	$
Revenue from exchange transactions	5	4,208,508	3,585,416	4,281,219	3,651,254
Revenue from non-exchange transactions	6	10,939,718	11,135,439	10,880,898	10,494,312
Total revenue		15,148,226	14,720,855	15,162,117	14,145,566
Employee costs	12	8,820,741	8,511,690	8,820,741	8,511,690
Other expenses	13	6,452,388	6,043,027	6,517,743	6,080,641
Depreciation and amortisation	14 & 15	139,557	142,845	156,945	158,026
Impairment of Building	14	-	-	256,282	-
Total expenses		15,412,686	14,697,562	15,751,711	14,750,357
Finance income	7	194,388	103,740	432,003	281,389
Finance costs	7	3,691	20	3,697	20
Net finance revenue		190,697	103,720	428,306	281,369
Operating surplus/(deficit)		(73,763)	127,013	(161,288)	(323,422)
Other gains/(losses)	8	44,365	(93,977)	415,502	(691,344)
Net surplus/(deficit) for the year		(29,398)	33,036	254,214	(1,014,766)
Other comprehensive revenue and expenses		-	-	-	-
Total comprehensive revenue and expenses for the year		(29,398)	33,036	254,214	(1,014,766)

The above statement should be read in conjunction with the notes to and forming part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Net Assets / Equity

	Notes	Accumulated surplus		Total equity
		Sustainable capital reserve	*Operating reserves*	
		$		$
Auckland Philharmonia Trust				
As at 1 January 2022		**2,125,174**	**1,969,897**	**4,095,071**
Transfers		-	-	-
Total comprehensive revenue and expense for the period		-	33,036	33,036
Balance as at 31 December 2022	19	**2,125,174**	**2,002,933**	**4,128,108**
Transfers		-	-	-
Total comprehensive revenue and expense for the period		-	(29,398)	(29,398)
Balance as at 31 December 2023		**2,125,174**	**1,973,535**	**4,098,709**
Group				
As at 1 January 2022		8,091,413	4,221,462	12,312,875
Transfers		268,055	(268,055)	-
Total comprehensive revenue and expense for the period		-	(1,014,766)	(1,014,766)
Balance as at 31 December 2022	19	**8,359,468**	**2,938,641**	**11,298,109**
Transfers		327,910	(327,910)	-
Total comprehensive revenue and expense for the period		-	254,214	254,214
Balance as at 31 December 2023	19	**8,687,378**	**2,864,945**	**11,552,323**

The above statement should be read in conjunction with the notes to and forming part of the consolidated and separate financial statements

AUCKLAND PHILHARMONIA TRUST
CONSOLIDATED AND SEPARATE GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated and Separate Statement of Financial Position

		Auckland Philharmonia Trust		Group	
	Notes	2023	2022	2023	2022
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	10	863,278	2,337,357	1,296,484	2,803,281
Receivables from exchange transactions	9	321,525	268,482	308,341	270,125
Prepayments		192,541	227,340	194,946	229,464
GST receivable		-	-	-	94,316
Short-term investments	10	3,052,872	2,030,924	3,352,872	2,030,924
		4,430,216	4,864,103	5,152,643	5,428,110
Non-current assets					
Property, plant and equipment	14	710,150	641,946	949,110	1,150,231
Investment property	14	-	-	246,468	250,815
Investments	11	1,061,087	986,523	7,256,884	6,801,826
Intangible assets	15	111,056	98,421	111,056	98,421
		1,882,293	1,726,890	8,563,518	8,301,293
TOTAL ASSETS		**6,312,509**	**6,590,993**	**13,716,161**	**13,729,403**
LIABILITIES					
Current liabilities					
Payables from exchange transactions	16	508,582	488,199	506,374	479,871
GST payable		53,396	23,265	5,642	-
Employee benefits		555,744	562,322	555,744	562,322
Income received in advance		1,096,078	1,389,099	1,096,078	1,389,098
TOTAL LIABILITIES		**2,213,800**	**2,462,885**	**2,163,838**	**2,431,292**
Net assets		**4,098,709**	**4,128,108**	**11,552,323**	**11,298,109**
NET ASSETS/EQUITY					
Operating reserves	19	1,973,535	2,002,934	2,864,945	2,938,641
Sustainable Capital Reserve	19	2,125,174	2,125,174	8,687,378	8,359,468
NET ASSETS/ EQUITY		**4,098,709**	**4,128,108**	**11,552,323**	**11,298,109**

For and on behalf of the Trust, which authorised the issue of the general purpose financial statements on date 25 March 2024

Geraint A. Martin
Trustee

Kate Vennell
Trustee

The above statement should be read in conjunction with the notes to and forming part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows

		Auckland Philharmonia Trust		Group	
	Notes	2023	2022	2023	2022
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from funders		13,140,559	12,258,472	13,465,132	12,502,267
Cash received from related parties		299,143	828,474	-	-
Interest income		194,540	106,463	350,459	201,786
Dividends received		-	-	81,691	74,809
Cash payments to suppliers		(4,975,960)	(4,653,147)	(5,089,965)	(4,745,192)
Cash payments to Employees		(8,826,949)	(8,313,761)	(8,826,949)	(8,313,761)
Cash payments to related parties		(57,779)	(60,840)	-	-
Net GST received		30,129	103,805	99,954	(6,733)
Interest paid		(3,691)	(20)	(3,691)	(20)
Net cash (outflows)/inflows from operating activities		**(200,008)**	**269,446**	**76,631**	**(286,844)**
Cash flows from Investing activities					
Purchase of PP&E		(160,739)	(33,439)	(160,739)	(33,439)
Purchase of Intangibles		(61,032)	(17,698)	(61,032)	(17,698)
Cash inflow for short term deposits		-	-	-	1,040,144
Cash outflow for short term deposits greater than 3 months		(1,021,948)	1,980,157	(1,321,948)	1,980,157
Cash inflow for short term deposits		-	(41,793)	166,183	284,984
Cash outflow for short term deposits greater than 3 months		(30,352)	-	(205,892)	(1,581,091)
Cash (outflows)/inflows from investing activities		**(1,274,071)**	**1,887,227**	**(1,583,428)**	**1,673,057**
Net cash (outflows)/inflows from financing activities					
Net (decrease)/increase in cash and cash equivalents		(1,474,079)	2,156,673	(1,506,797)	1,386,213
Cash and cash equivalents at beginning of year		2,337,357	180,684	2,803,281	1,417,068
Cash and cash equivalents at end of year	10	**863,278**	**2,337,357**	**1,296,484**	**2,803,281**

The above statement should be read in conjunction with the notes to and forming part of the consolidated and Separate financial statements.

Notes to the Consolidated and Separate Financial Statements

1. REPORTING ENTITY

The Auckland Philharmonia Trust ("the Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.
These consolidated financial statements comprise the Trust and the Auckland Philharmonia Foundation (together referred to as "the Group").
These financial statements are presented in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR").

2. BASIS OF PREPARATION

a) Statement of compliance
The consolidated and separate financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").
The financial statements comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities. The Group qualifies as a Tier 2 reporting entity as it does not have public accountability and it is not defined as large. All reduced disclosure regime exemptions have been adopted.
These financial statements were authorised for issue by the Trustees on 25th of March 2024.

b) Measurement basis
The consolidated and separate financial statements have been prepared on a historical cost basis, except for investments which have been measured at fair value.
The consolidated and separate financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and Group's presentational currency, rounded to the nearest dollar.

c) Changes in Accounting Polices
The accounting policies detailed in the following notes have been applied consistently to all periods presented in these consolidated and separate financial statements. There were no new or amended policers that are material to the Group.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual events or changes to assumptions or estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i Consolidation and relationship with other entity

The Foundation has as its major objectives, the support, assistance, maintenance, promotion, advancement, and funding of the Trust. Thus, the Trust has an entitlement to a significant level of current or future ownership benefits which arise from the activities of the Foundation.

ii Statement of service performance (PBE IPSAS- 48)
In compiling the Groups Statement of Service Performance report, Management has made judgements in relation to which outcomes and outputs best reflect the achievement of the Group's mission and vision.

Notes to the Consolidated and Separate Financial Statements

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONT'D

iii. Whether non-exchange revenue is subject to conditions.

For the purpose of assessing the timing of revenue recognition, the Group has assessed whether stipulations in funding contracts represent conditions or restrictions to the use of non-exchange revenue, in particular whether conditions applied to funding would require the funds to be returned where the conditions have not been met.

b) Assumptions and estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the carrying value of buildings. In October 2023 the Trustees made the significant judgement to fully impair the value of the 427 Dominion Road venue, (known as Phil Hall) given that it can no longer be used for its intended purpose as a physical space for the Orchestra due to the building's structural issues. The impairment expense is recognised in the statement of comprehensive revenue and expense. - see note 14.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

Basis of consolidation – accounting policy

i. Controlled entities

Controlled entities are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with owners of the controlling entity in their capacity as owners, within net assets/equity.

The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

ii. Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any non-controlling interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associated or an available-for-sale financial asset depending on the level of influence retained.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

iii. Transactions eliminated on consolidation.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.
Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the date of receipt is being made.
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of receipt.

The specific recognition criteria described below must also be met before revenue is recognised:

i. Revenue from non-exchange transactions

Government grants, other grants, and funding

Revenue from non-exchange transactions such as government grants, donations, legacies and bequests are recognised when the Group obtains control of the transferred asset, and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the funder if the conditions are not fulfilled.

To the extent that there is a condition attached that would give rise to a liability to repay any amount or to return the transferred asset, a deferred revenue liability is recognised. Revenue is only then recognised when the Group has satisfied the related conditions.

Fundraising

Fundraising non-exchange revenue is recognised at the point at which cash is received.

ii. Revenue from exchange transactions

Subscriptions

Revenue is recognised over the period of the subscription. Amounts received in advance for subscriptions relating to future periods are recognised as a liability until such time that period covering the subscription occurs.

Sale of goods

Revenue from merchandise sold is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Rendering of services

Revenue from services rendered includes audience revenue and the hire of orchestra. Revenue from the rendering of services is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. Due to the services provided, the stage of completion is assessed by reference to the related performances. Amounts received in advance for performances to be provided in future periods are recognised as a liability until such time as the service is provided.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Rental revenue
Rental revenue from properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive revenue and expense due to its operating nature.

Dividends
Dividends are recognised when the right to receive the payment is established.

Interest income
For all financial instruments measured at amortised cost, interest income is recorded using the accrual basis method. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive revenue and expense.

Contra Revenue
During the year the Trust was supported by sponsors who donated goods and services in kind and is included in revenue and expense in the statement of comprehensive revenue and expense.

Other gains and losses
Other gains and losses include realised and unrealised fair value gains and losses on financial instruments at fair value through surplus or deficit.

b) Goods and services tax
Revenues, expenses, and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

Financial Instruments accounting policy

(c) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through surplus or deficit, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCRE. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Management model assessment

The Group makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group's cash and cash equivalents, short term deposits, and receivables are classified as financial assets at amortised cost. The Group's investments are classified as financial assets at FVTSD on the basis they are managed, and their performance is evaluated on a fair value basis.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with original maturities of 3 months or less. Short term deposits are those with an original maturity of more than 3 months.

Financial assets – Subsequent measurement and gains and losses

- Financial assets at FVSD - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.
- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.
- Debt investments at FVOCRE - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.
- Equity investments at FVOCRE - These assets are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCRE and are never reclassified to surplus or deficit.

Financial liabilities – Classification, subsequent measurement and gains and losses

All of the Group's financial liabilities meet the criteria to be classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

(e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) Impairment of non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCRE.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. Financial liabilities – Classification, subsequent measurement and gains and losses

h) Property, plant and equipment

i. Initial recognition and subsequent expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant, and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Property, plant and equipment (Cont'd)

ii. Subsequent measurement
Subsequent to initial recognition, property, plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, if any.

iii. Depreciation
Depreciation is charged on a straight-line basis unless specified otherwise below.
Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Land	Not depreciated
Buildings and improvements	4-10% diminishing balance method
Office equipment	2-20 years
Computer equipment	3-5 years
Musical instruments	3-25 years
Music stands	5-10 years
Music	25 years
Motor vehicles	3-8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.
Please refer to policy (f) on impairment of non-financial assets below.

iv. Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

i) Intangible assets
Intangible assets are initially measured at cost and consist of software for internal use.

All of the Group's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit, as incurred.
Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.
The estimated useful lives are:
Software 2-3 years
Website 2-3 years

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is revised accordingly. Impairment losses are recognised in surplus or deficit.

k) Foreign currencies
Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.
Exchange differences are recognised as income or expenses in the period in which they arise.

l) Equity and reserves
Accumulated surpluses
This represents the Group's accumulated surplus or deficit since the formation of the Group. Separate reserves representing an allocation on the Group's funds are disclosed in note 19.

m) Employee benefits
Liabilities for wages and salaries (including non-monetary benefits), annual leave and other benefits are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled wholly within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

n) Investment property
Investment property is property held to earn rental income, but not for sale in the ordinary course of business or used in the production or supply of goods or services or for administrative purposes.

i. Recognition and measurement
Investment property is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property includes the cost of materials and direct labour, any other costs directly to bringing the investment property to a working condition for their intended use.

ii. Reclassifications
When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.
When the use of an investment property changes to owner occupied, such that it results in a reclassification to property, plant and equipment, the property's fair value at the date of re-classification becomes its cost for subsequent accounting.

For a transfer from inventories to investment property, any differences between the fair value of the property at that date and its previous carrying amount is recognised in surplus or deficit.

iii. Depreciation
Depreciation is charged at rates calculated to allocate the cost or valuation of the investment property less any estimated residual value over its remaining useful life, on a diminishing value basis. Refer policy (h) on depreciation of Property, plant and equipment for depreciation charged over land and buildings.

Notes to the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

iv. Derecognition

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

Any gains and losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

o) Operating Leases

Leases that are not finance leases are classified as *operating leases.*

Operating leases are not recognised in the Group's statement of financial position. Payments made under operating leases are recognised as an integral part of the total lease expense, over the term of the lease.

AUCKLAND PHILHARMONIA TRUST
CONSOLIDATED AND SEPARATE GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the consolidated and separate financial statements.

5. REVENUE FROM EXCHANGE TRANSACTIONS

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Revenue from services rendered	2,430,969	1,986,354	2,430,969	1,986,354
Event sponsorship and corporate support	253,495	230,419	253,495	230,419
Contra revenue	1,362,460	1,224,033	1,362,460	1,224,033
Revenue from other exchange transactions	161,584	144,610	234,295	210,448
	4,208,508	**3,585,416**	**4,281,219**	**3,651,254**

6. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	Auckland Philharmonia Trust		Group	
–	**2023**	**2022**	**2023**	**2022**
Grants from Trusts and Foundations	399,250	481,689	319,250	381,689
Fundraising and donations	1,279,592	997,443	1,270,192	936,043
Government grants received	8,025,694	8,469,951	8,025,694	8,469,951
Other grants received	914,300	1,186,356	654,300	533,239
Bequests	320,882	-	611,462	173,390
	10,939,718	11,135,439	10,880,898	10,494,312

Other grants received

Included in the above other grants figure is a grant from Foundation North towards the APO Connecting programme for the amount of $220,000; (2022, $220,000).

7. FINANCE INCOME AND EXPENSE

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Interest income				
Financial assets at amortised costs	194,388	103,740	271,626	134,122
	194,388	**103,740**	**271,626**	**134,122**
Financial assets at fair value through surplus or deficit				
Dividends received	-	-	80,477	74,809
Interest received	-	-	79,900	72,458
	-	**-**	**160,377**	**147,267**
Total finance income	**194,388**	**103,740**	**432,003**	**281,389**
Interest expense				
ASB Bank overdraft	3,691	20	3,697	20
	3,691	**20**	**3,697**	**20**

Notes to the consolidated and separate financial statements

	Auckland Philharmonia Trust		Group	
	2023	2022	2023	2022
8. OTHER GAINS AND LOSSES				
i. Other gains				
Gain on disposal of equity investments	-	-	166,184	284,985
Unrealised currency gains	-	9	162,320	9
Gain on revaluation of investments	46,605	-	90,060	-
	46,605	**9**	**418,564**	**284,994**
ii. Other losses				
Foreign currency losses	157	3,820	3,062	7,907
Loss on revaluation of investments	2,083	90,166	-	968,431
	2,240	**93,986**	**3,062**	**976,338**
Total gains/(losses)	**44,365**	**(93,977)**	**415,502**	**(691,344)**

9. TRADE AND OTHER RECEIVABLES

	Auckland Philharmonia Trust		Group	
	2023	2022	2023	2022
Trade debtors	54,757	82,394	62,834	85,680
Related party receivables (Note 17)	52,500	1,643	-	-
Accrued subscription instalment income	147,030	132,691	147,030	132,691
Interest receivable	49,062	15,522	49,062	15,522
Other receivables	18,176	36,232	49,415	36,232
	321,525	**268,482**	**308,341**	**270,125**

Trade receivables are non-interest bearing and are normally settled within 60-day terms.
No allowance for impairment has been accounted for at the end of reporting period (2022: Nil) due to the current nature of the receivables.

10. CASH AND CASH EQUIVALENTS

	Auckland Philharmonia Trust		Group	
	2023	2022	2023	2022
Cash in bank accounts	863,278	2,337,357	1,046,484	2,803,281
Short term deposit	-	-	250,000	-
Total Cash and cash equivalents	863,278	2,337,357	1,296,484	2,803,281
Term deposits held by ASB	3,052,872	2,030,924	3,352,872	2,030,924
Total	3,916,150	4,368,281	4,649,356	4,834,205

The short-term deposit is held with ASB matures within 3 months of acquisition and is earning 4.80%
The term deposits are held with ASB mature within 12 months of acquisition are earning approximately 5.9% to6.2%. (2022; 2.9% - 4.1%)

Notes to the consolidated and separate financial statements

11. FINANCIAL INSTRUMENTS

i. Classification and fair values of financial instruments

The tables below show the Group and Trust's financial assets and financial liabilities:

	Financial assets		Financial liabilities
	FVTSD*	Amortised cost	Amortised cost
Auckland Philharmonia Trust - 2023			
Investments	1,061,087		
Subsequently measured at amortised cost			
Cash and cash equivalent		863,278	
Short term deposits		3,052,872	
Receivables from exchange transactions		321,525	
Payables			508,582
Group - 2023			
Investments	7,256,884		
Cash and cash equivalent		1,296,485	
Short term deposits		3,352,872	
Receivables from exchange transactions		308,341	
Payables			506,374
Auckland Philharmonia Trust - 2022			
Investments	986,523		
Subsequently at amortised cost			
Cash and cash equivalent		2,337,357	
Short term deposits		2,030,924	
Receivables from exchange transactions		268,482	
Payables			488,199
Group - 2022			
Investments	6,801,826		
Cash and cash equivalent		2,803,281	
Short term deposits		2,030,924	
Receivables from exchange transactions		270,125	
Payables			479,871

** Fair value through surplus or deficit*

Notes to the consolidated and separate financial statements

11. FINANCIAL INSTRUMENTS (CONT'D)

ii. Fair values

The fair value of financial instruments subsequently measured at fair value are based on quoted market prices.

iii. Investments

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Financial assets designated at initial recognition at fair value through surplus or deficit				
Cash Investments at bank and financial institutions	-	-	640,484	766,694
Debt (New Zealand fixed interest)	-	-	1,598,557	1,401,382
Debt (Global fixed interest)	-	-	42,966	41,881
New Zealand property	-	-	275,253	283,381
New Zealand equities	-	-	1,091,203	1,022,556
Australian equities	-	-	741,333	571,215
Global equities	-	-	1,806,001	1,437,312
Alternative assets	-	-	-	290,882
	-	**-**	**6,195,797**	**5,815,303**

Financial assets designated at initial recognition at fair value through surplus or deficit	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Perpetual Guardian Investment - Philanthropy fund	**1,061,087**	**986,523**	**1,061,087**	**986,523**

The above investments are treated as one portfolio which is managed and evaluated together on a fair value basis. The Group has thus designated this portfolio as at fair value through surplus or deficit. This disclosure is consistent with the entity's documented risk management strategy.

Notes to the consolidated and separate financial statements

12. EMPLOYEE COSTS

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Orchestra salaries	5,799,597	5,666,619	5,799,597	5,666,619
Salaries - admin	2,800,894	2,639,946	2,800,894	2,639,946
KiwiSaver employer contributions	220,250	205,125	220,250	205,125
	8,820,741	**8,511,690**	**8,820,741**	**8,511,690**

13. OTHER EXPENSES

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
Other expenses include the following amounts:				
Occupancy	329,758	279,413	283,258	232,913
Marketing and promotion	498,038	382,732	498,038	382,732
Contra expense	1,362,460	1,224,033	1,362,460	1,224,033
Venue rentals and production costs	1,032,318	1,079,599	1,032,318	1,079,599
Fundraising and donations expenses	182,181	126,382	182,181	126,382
Travel	304,157	359,228	304,157	359,228

Notes to the consolidated and separate financial statements.

14. PROPERTY, PLANT AND EQUIPTMENT AND INVESTMENT PROPERTY

Group

	Land	Buildings	Musical Instruments	Music stands	Music	Office equipment	Computer equipment	Motor vehicles	Total
Cost									
Balance as at 31 December 2022	238,960	629,730	1,050,309	114,700	403,843	169,770	321,367	103,632	3,032,311
Additions	-	-	130,124	3,062	-	-	27,553	-	160,739
Disposals	-	-	(60,142)	(2,394)	-	(7,919)	(7,026)	-	(77,481)
Balance as at 31 December 2023	238,960	629,730	1,120,291	115,368	403,843	161,851	341,894	103,632	3,115,569
Accumulated depreciation and impairment									
Balance as at 31 December 2022	-	360,407	736,263	103,336	169,862	158,024	300,058	54,131	1,882,081
Depreciation	-	13,041	39,541	5,705	16,153	3,967	17,965	7,828	104,200
Disposals	-	-	(60,142)	(1,017)	-	(7,919)	(7,026)	-	(76,104)
Impairment	-	256,282	-	-	-	-	-	-	256,282
Balance as at 31 December 2023	-	629,730	715,662	108,024	186,015	154,072	310,997	61,959	2,166,459
Net book value									
As at 1 January 2022	**238,960**	**280,710**	**338,693**	**21,510**	**250,135**	**11,890**	**22,851**	**57,328**	**1,222,076**
As at 31 December 2022	**238,960**	**269,324**	**314,046**	**11,364**	**233,981**	**11,745**	**21,309**	**49,501**	**1,150,230**
As at 31 December 2023	**238,960**	**-**	**404,629**	**7,344**	**217,828**	**7,779**	**30,897**	**41,673**	**949,110**

Notes to the consolidated and separate financial statements.

14. PROPERTY, PLANT AND EQUIPTMENT AND INVESTMENT PROPERTY (CONT'D)

	Investment Property	Total
Cost		
Balance as at 31 December 2022	370,950	370,950
Balance as at 31 December 2023	370,950	370,950
Accumulated depreciation and impairment		
Balance as at 31 December 2022	120,135	120,135
Depreciation	4,347	4,347
Balance as at 31 December 2023	124,482	124,482
Net book value		
As at 1 January 2022	**254,610**	**254,610**
As at 31 December 2022	**250,815**	**250,815**
As at 31 December 2023	**246,468**	**246,468**

Notes to the consolidated and separate financial statements.

14. PROPERTY, PLANT AND EQUIPTMENT AND INVESTMENT PROPERTY (CONT'D)

Auckland Philharmonia Trust

	Musical Instruments	Music stands	Music	Office equipment	Computer equipment	Motor vehicles	Total
Cost							
Balance as at 31 December 2022	1,050,309	114,700	403,843	169,770	321,367	103,632	2,163,621
Additions	130,124	3,062	-		27,553	-	160,739
Disposals	(60,142)	(2,394)	-	(7,919)	(7,026)	-	(77,481)
Balance as at 31 December 2023	1,120,291	115,368	403,843	161,851	341,894	103,632	2,246,879
Accumulated depreciation and impairment							
Balance as at 31 December 2022	736,263	103,336	169,862	158,024	300,058	54,131	1,521,674
Depreciation	39,541	5,705	16,153	3,967	17,965	7,828	91,159
Disposals	(60,142)	(1,017)		(7,919)	(7,026)		(76,104)
Balance as at 31 December 2023	715,662	108,024	186,015	154,072	310,997	61,959	1,536,729
Net book value							
As at 1 January 2022	**338,693**	**21,510**	**250,135**	**11,890**	**22,851**	**57,328**	**702,407**
As at 31 December 2022	**314,046**	**11,364**	**233,981**	**11,746**	**21,309**	**49,501**	**641,947**
As at 31 December 2023	**404,629**	**7,344**	**217,828**	**7,779**	**30,897**	**41,673**	**710,150**

Notes to the consolidated and separate financial statements

15. INTANGIBLE ASSETS

Group & Trust

	Software
Cost	
Balance as at 31 December 2022	**236,089**
Additions	61,033
Balance as at 31 December 2023	**297,122**
Accumulated amortisation and impairment	
Balance as at 31 December 2022	**137,668**
Amortisation	48,398
Balance as at 31 December 2023	**186,066**
Net book value	
As at 1 January 2022	**129,665**
As at 31 December 2022	**98,421**
As at 31 December 2023	**111,056**

	Auckland Philharmonia Trust		Group	
	2023	**2022**	**2023**	**2022**
16. PAYABLES FROM EXCHANGE TRANSACTIONS				
Payables from exchange transactions	273,049	213,075	298,799	231,296
Payables from accruals and other payables	207,597	248,576	207,575	248,575
Related party payable	27,936	26,547	-	-
	508,582	**488,198**	**506,374**	**479,871**

Trade payables are non-interest bearing and are normally settled within 60-day terms.

Notes to the consolidated and separate financial statements

17. RELATED PARTY TRANSACTIONS

i. Transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Auckland Philharmonia Trust		Rent, Levies & donations paid to related parties	Grants & revenue received from related parties	Amounts owed by related parties*	Amounts owed to related parties*
Auckland Philharmonia Foundation	2023	59,167	350,000	52,500	27,936
Auckland Philharmonia Foundation	2022	61,076	815,117	1,643	26,547

Auckland Philharmonia Foundation is considered a related party as the Auckland Philharmonia Trust is the primary beneficiary of the Foundation. The Foundation supports the Trust by providing grants and one of the premises for which the orchestra practices.

* The amounts are classified as trade receivables and trade payables, respectively.

ii. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on normal trading terms. Outstanding balances at the year-end are unsecured and interest free.

iii. Compensation of key management personnel

Key management personnel, as defined by Board, are the Chief Executive Officer and other employees who have the authority and responsibilities for planning and controlling the activity of Auckland Philharmonia Trust.
No remuneration is paid to the members of the Board of the Foundation or the Trust. The Foundation has no other key management personnel. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	Auckland Philharmonia Trust		Group	
	2023	2022	2023	2022
Total remuneration - key employees	936,503	886,812	936,503	886,812
Number of FTE employees	6.2	6.6	6.2	6.6

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Notes to the consolidated and separate financial statements

18. COMMITMENTS AND CONTINGENCIES

	Auckland Philharmonia Trust		**Group**	
Operating lease - Property	**2023**	**2022**	**2023**	**2022**
Less than 1 year	119,651	113,331	119,651	113,331
Between 1 and 5 years	239,302	-	239,302	-
> 5 years	-	-	-	-
	358,953	**113,331**	**358,953**	**113,331**

In 2023, the Trust renewed the existing lease for a further three years to December 2026. There is no right of renewal.

There was no capital commitment at year end (2022:Nil).

19. RESERVES

The accumulated surplus of the group is comprised of that of both the Trust and its controlled entity, the Auckland Philharmonia Foundation.

	Auckland Philharmonia Trust		**Group**	
	2023	**2022**	**2023**	**2022**
Operating reserves				
Auckland Philharmonia Trust	1,973,535	2,002,934	1,973,535	2,002,934
Auckland Philharmonia Foundation's Distributable Reserve	-	-	891,410	935,707
	1,973,535	**2,002,934**	**2,864,945**	**2,938,641**
Sustainable Capital Reserve				
Auckland Philharmonia Trust	2,125,174	2,125,174	2,125,174	2,125,174
Auckland Philharmonia Foundation - Non distributable reserves	-	-	6,562,204	6,234,294
	2,125,174	**2,125,174**	**8,687,378**	**8,359,468**
	4,098,709	**4,128,108**	**11,552,323**	**11,298,109**

Operating Reserves

These represent the residual amount of the accumulated surplus available. The Auckland Regional Amenities Funding Board grant of $2,370,865 received in 2023 for the period 1 January 2024 to 30 June 2024 is recorded under operating reserves for 2023.

Notes to the consolidated and separate financial statements.

19. RESERVES CONT'D)

Sustainable Capital Reserve

This reserve represents funds that have been set aside by the board and are not available for general operations. This balance in the Trust as a separate entity, has been determined relative to the annual operating expenditure level, based on Creative New Zealand guidelines set out in their 2008 Reserve Incentive Scheme. For the Auckland Philharmonia Foundation, in keeping with the endowment nature of the fund, the trustees have resolved to maintain specific grants and bequests in a separate reserve.

The Auckland Philharmonia Foundation (Foundation) is an independent charitable trust established in 1987 for general charitable purposes including, but not exclusively, for the benefit of the Auckland Philharmonia Orchestra (APO). Administered by an independent trust board of seven trustees, the Foundation is distinct and separate from the Auckland Philharmonia Trust (the Trust). While one Foundation trustee is also a Trust trustee, the Foundation trustees act separately from and independently of the Trust.

In 2016, the financial reporting standards for Public Benefit Entities (such as the Trust and Foundation) came into effect. Notwithstanding the independent status of the Foundation and the inability of the Trust to demand or require financial support from the Foundation, under the financial reporting standards the Trust must nevertheless treat the Foundation as if it were part of the Group. This is because the Trust is the primary beneficiary of grants made by the Foundation, and the Trust has the ability to appoint trustees to the Foundation board.
Each year, the Trust may submit a grant application to the Foundation. However, there is no obligation on the Foundation to approve any or all of the application. The decision is at the discretion of the Foundation trustees, after considering their responsibilities as trustees of the Foundation.

Readers of the Trust's financial statements, therefore, need to be aware that amounts relating to the Foundation included in the Group financial statements are not available to, the Trust for general operations.

The nature of the non-distributable reserve is that all capital contributed (such as property, donations and bequests) is used for accumulation not distribution. Distributable funds are derived solely from annual net income generated from investment earnings (after deduction of donations and an annual inflation allowance that are transferred to the non-distributable reserve).
While funds may be classified as distributable, there is no requirement that they be dispensed. Trustees exercise their judgement, considering the sustainability of the distributable reserve, and assess any request for a grant against a range of criteria, including whether the purpose of the grant is to lift the standard of the orchestra or to support the long-term future and growth of the orchestra.

20. EVENTS AFTER THE REPORTING PERIOD

The Trustees of the Foundation have formally agreed to proceed with the sale of 427 Dominion Road (Phil Hall) on the 8th of February 2024. The board is looking for this sale to occur by October 2024 and we see no reasons not to think this is highly probable in the next 12 months.

Auckland Philharmonia

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