



**ncma** | nelson centre  
of musical arts

## The Nelson School of Music Trust

### STATEMENT OF INTENT

1 January 2023 – 31 December 2025

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## 1. The Nelson School of Music Trust Statement of Intent 2023 – 2025

### 1.1. Context

#### 1.1.1. Entity

The Nelson School of Music Trust is an autonomous not-for-profit charitable trust trading as Nelson Centre of Musical Arts (NCMA).

#### 1.1.2. Legislation

The Trust is not owned or controlled by Council. Under the Local Government Act 2002 NCMA is treated as a Council Organisation and is not required to submit a Statement of Intent.

#### 1.1.3. Existing relationship

1.1.3.1. NCMA receives an annual operational grant from Council

1.1.3.2. Council appoints two of the six Trustees on the Nelson School of Music Trust Board.

1.1.3.3. Council has funded an interest-free loan to NCMA with a value of \$696,551 at 31 December, 2022. NCMA services this loan with repayments of \$8,250 quarterly.

1.1.3.4. In June 2022, Council resolved to develop a Memorandum of Understanding describing the relationship between NCMA and Council.

An MOU has been drafted and submitted to Council for feedback. This document has been prepared based on the draft MOU.

#### 1.1.4. Intent

An independent review of NCMA's business model in 2019 identified the relationship between Council and NCMA to be of concern. The review recommended the parties adopt an SOE / SOI planning and reporting model in the place of the grant funding model in place at that time.

In the context of that review, NCMA intends the outcomes of the SOE / SOI process will be:

- Regular alignment of NCMA's delivery for the Community with Council's strategic planning for the arts (strategic alignment for 2023 is discussed in sections 2 and 3).
- Improved mutual understanding of both parties' operational requirements and intentions, and
- A stronger and more productive relationship between Council and NCMA to the benefit of the wider community.

### 1.1.5. Performance Measures

The outcomes and performance measures agreed through this SOE / SOI process are intended to inform and substitute for the performance measures scheduled in typical grant funding agreements.

### 1.1.6. Scope

NCMA has a number of stakeholder groups, including Council, other funders and donors, and our members. In accordance with our rules as an autonomous organisation, NCMA's primary responsibility is to our members.

### 1.1.7. Reporting alignment

In alignment with other education sector providers, NCMA reports on a calendar year basis. Accordingly, reporting and planning detailed in this document assumes a start date of 1 January, 2023.

### 1.1.8. Public Records Act 2005

The Trust is not required to align with the Public Records Act 2005. The Trust maintains policy and procedures governing the keeping of personal data and privacy to meet its specific needs.

## 1.2. **Executive Summary:**

With 5 years of operational data demonstrating reliability and resilience, including through events of unprecedented global significance, decisions made in 2019 can now be considered valid.

It is now time to look forward, planning for growth in the 2023 calendar year, setting goals through to 2025, and building resilience over the coming decade.

### 1.2.1. The 2023 year ahead:

#### 1.2.1.1. Accessibility and Resilience are our priorities:

Through outreach programmes (including the NCMA/Council initiative *Music Mix*) and free or affordable activities for all ages, NCMA intends to engage new learners, especially those who do not normally have the opportunity, in the joy of making music.

The formal launch of the NCMA Foundation in July will signal the beginning of a major fundraising campaign intended to reduce NCMA's reliance on charitable funding sources by 2030.

#### 1.2.1.2. The ongoing impact of Covid-19

Through 2022, Covid-19 is estimated to have reduced concert attendance and education engagement by approximately 40%, although statistics improved steadily through the year.

Notwithstanding the possibility of a further significant setback, this document assumes engagement at NCMA will return to 90% of pre-Covid levels by the end of the first quarter of 2023.

Risk management strategies through the pandemic have included:

- Prudent financial constraints, increased frequency of budget review
- Forestalling or delaying HR appointments where practical
- Regular review of expenditure
- Rostering home / work from home / working in isolated teams to promote service continuity
- Digital / online working options
- Reduced service delivery as appropriate to the risk.

Current Health and safety measures:

- Contactless payment options are preferred
- Face coverings are encouraged indoors
- Medical grade filters are now installed in large capacity spaces
- Hand sanitiser stations in high-traffic areas
- Signage promoting responsible action
- Heightened cleaning and sanitising procedures remain in place
- Allocated seating and patron data collection will support contact tracing if required.

#### 1.2.1.3. Branding and online presence

Technological advances, the new NCMA Foundation and our focus on accessibility have required a refresh of our branding and online presence in 2023. This project is funded with the assistance of the Lion Foundation and other community partners.

#### 1.2.1.4. Human Resources:

Following two years of forestalled HR appointments, we have restored the administration team to full capacity, reinstating two key staff positions.

Since reopening in 2018 with 130 students, our education programmes have grown by a factor of 5. The 2023 appointment of an **Education Programme Manager** is accordingly full-time, managing an anticipated 700 students. This role is 50% self-funding, in part through the restructuring of smaller education roles.

Our **Development and Funding Manager** (0.7 EFT) replaces a 0.7 Communications position dis-established through Covid. The role has been re-focused on long-term resilience through the establishment and growth of the NCMA Foundation. A companion 0.3 EFT Communications role remains in abeyance through 2023 pending a positive outcome for the coming year.

In addition, support from the Rātā Foundation has enabled the appointment of a dedicated staff member to provide administration and business development services to our Pathways groups, as well as the Nelson Symphony Orchestra and Nelson Civic Choir. This **Community Music Manager** role will

grow revenues for all three parties and is envisaged to become budget-neutral by 2025.

While our staff has only expanded by 23% since 2022, three factors have contributed to an HR cost increase of 50% in 2023: inflation, operational growth and the delayed effect of forestalled HR movements through the pandemic. This increased expenditure will be a significant challenge over the coming year.

#### 1.2.2. Priorities over the next three years:

- Explore solar energy to contribute to our community's environmental sustainability
- Utilise technology to streamline administration, and reduce overheads
- Build sponsorship and partnerships with local business and community
- Rebuild and diversify NCMA-produced concerts
- Enhance administration support and promote business development for our affiliated community music providers
- Through partnerships with national arts industry professional bodies, provide meaningful career development opportunities for our Teachers and Students.
- Continue to grow our Music Therapy programme.
- Informed by *Shared Communities*, continue to ensure our activities are adequately informed by cultural perspective.

### 1.3. Organisational Description

NCMA is Nelson's leading community music organisation. We are a bustling, thriving community hub that is accessible, affordable and inclusive. We have delivered quality music experiences and diverse educational opportunities to the people of Nelson and Tasman since 1898.

## 2. Nature and scope of the activities to be undertaken:

### 2.1. Our vision:

To be New Zealand's most vibrant, innovative and accessible music community.

NCMA will provide a welcoming and sustainable environment where our community can teach, learn, create, perform, appreciate and connect through music.

### 2.2. The big idea: Music for everyone.

### 2.3. Our mission:

Inspired by our iconic venue, and within a secure financial environment, we strive to create a community around a shared love of music, offering people of all ages and backgrounds diverse musical experiences both on the stage and in the studio.

### 3. Objectives, performance measures and targets

Financial and service performance outcomes are reported according to five organisational pillars:

#### 3.1. Community education

Deliver a diverse range of music education programmes for the Nelson Whakatū community.

Revenue is from membership fees, enrolment in NCMA community courses, charity and education grants.

2023 objective: Remove barriers to participation for adult and elderly beginners, and renew programmes, processes and policy.



	KPI	2022
Accredited teachers	75	73
Student members	600	506
Course enrolments per year	515	491
Community courses per year	70	63
Residential courses per year*	5	6

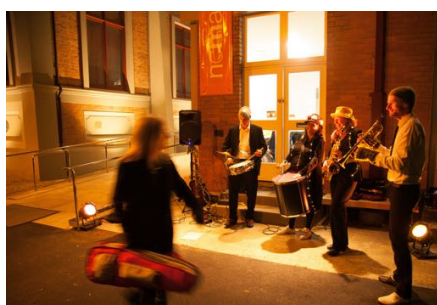
\* The Adam Chamber Music Festival is biennial.

#### 3.2. Cultural performance and production

Offer a variety of events and performance opportunities to local, and national performers and audiences.

Revenue is from event sponsorship, and tickets sold to NCMA – produced events.

2023 objective: Trial 'Songwriters Sessions for emerging artists aged 16 - 25



	KPI	2022
Concerts produced in-house	62	54
Featuring local artists*	80%	97%

\* Our 'local artists' metric is a balance-point between providing a diverse and exciting range of events and support for local artists. In 2022, travel from outside Nelson was restricted.

### 3.3. Central Services

Be a caring and thoughtful employer and a diligent steward, working closely with funding partners towards the delivery of community outcomes.

Revenue is from operational funding grants, charitable giving, advertising sales and administrative services.

2023 objective: Refresh branding, update website technologies for accessibility



	KPI	2022
Grant funding	\$474,500	\$309,253
Charitable giving	\$83,500	\$37,469
Capital assets funding	\$TBA	\$135,000

### 3.4. Commercial services

Operate a range of professional services including, ticketing and refreshments, in support of Events.

Revenue is from bar sponsorship, ticketing service fees, and bar sales.

2023 objective: Trial and implement a more efficient bar Point of Sale system. We are seeking a sponsorship arrangement with a suitable supplier.





### 3.5. Facility

Produce a range of activities, make the facility available for hire, and secure operational funding to ensure a financially secure operation.

Revenue is from the hire of our venue for events and private music lessons. External venue hire contributes 10% of NCMA's total revenue but requires us to cease all other activity necessitating a careful balance.

2023 objective: Increase facility use 9am – 3pm, eg: adult beginner classes. (Outside these times the facility is normally at capacity).



	KPI	2022
Affiliated Groups*	4	4
Hire revenues**	\$127,000	\$92,285

\* Affiliated music groups include local choirs and orchestras that use our facilities regularly at reduced rates. In 2023 they receive a 50% discount on commercial hire rates.

In 2023 NCMA has introduced a new full-time administration position in support of these groups. NCMA is funding 80% of that position.

\*\* Venue hire charges are increased by 10% in 2023. HR is refocussed on venue hire in 2023.

## 4. Operating framework

### 4.1. Ownership

NCMA is governed by its own elected Board and run by a professional Director. The School was incorporated as a trust in 1898 and registered as a charitable entity in 2008.

### 4.2. Governance

The current rules defining election of Trust Board members state that two will be Nelson City Council appointees, two will be elected by NCMA members and two will be Board appointees.

Currently:

Council Appointees:	Amanda Crehan, Maria Fillary
Elected Members:	Jan Trayes (Chair), Lissa Cowie
Board Appointees:	Alex Davidson, Alastair Kerr

The Board has been selected to cover the broad range of skills needed for this multifaceted organisation.

#### 1.3.1. Sub-committees:

Development Committee (3 times per year)

- composition:
  - 3 members of the Board of Trustees
  - NCMA Director
- tasked with
  - long term sustainability,
  - reduced reliance on charitable giving
  - funding and fund-raising,
  - communications



Finance Committee (monthly)

- composition
  - 2 members of the Board of Trustees
  - NCMA Director
- tasked with compliance and best practice in
  - financial reporting,
  - performance,
  - budgeting, and
  - forecasting.



Audit and Risk Committee (3 times per year)

- composition:
  - 2 members of the Board of Trustees
  - NCMA Director
- tasked with
  - policy development,
  - audit strategy, and
  - risk management.

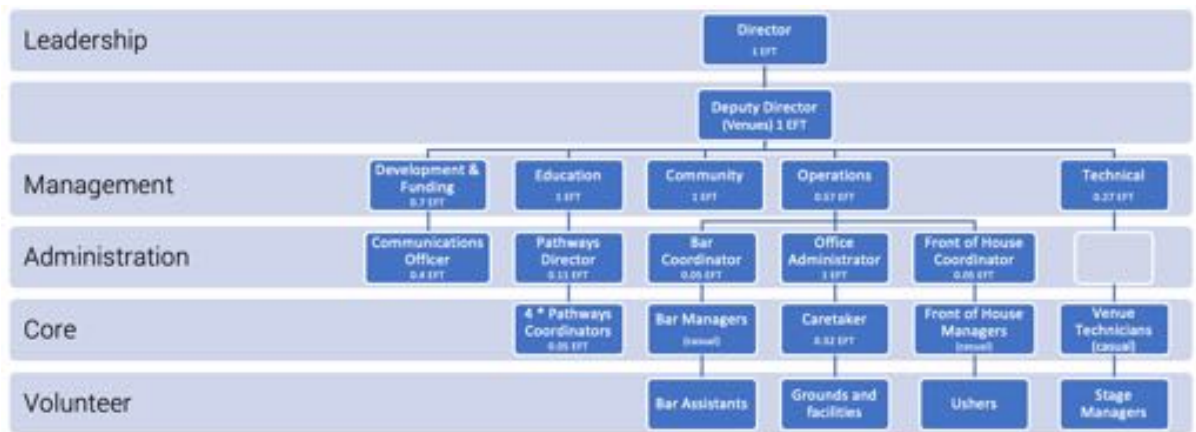


Leadership and Human Resources Kōrero (weekly)

- composition:
  - Board of Trustees Chair
  - NCMA Director
- tasked with
  - leadership response
  - good employer obligations,
  - best practice, and
  - compliance.



4.3. Staffing 7.52 EFT (2022: 6.1)



All staff earn at or above living wage.

4.3.1. Equality, diversity and fairness

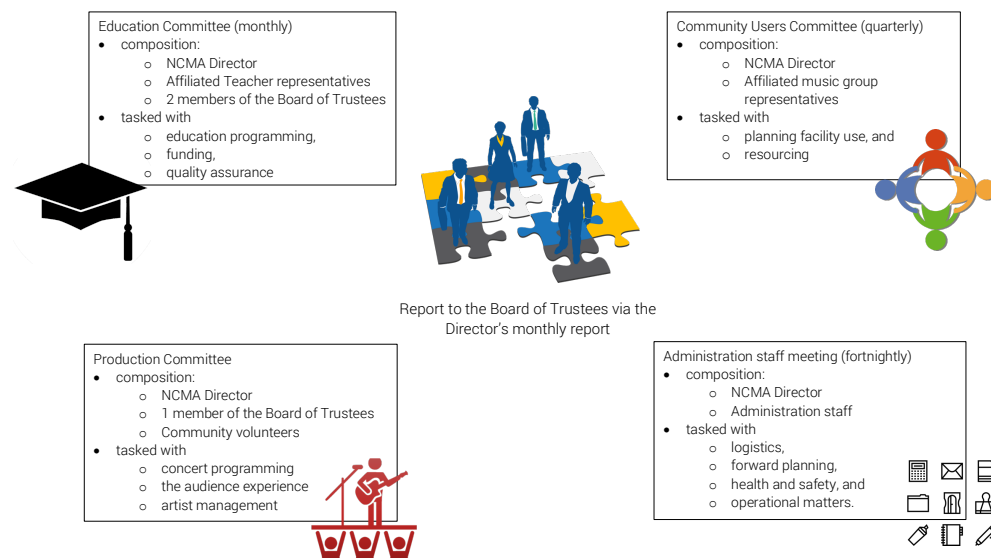
4.3.1.1. Appointments

NCMA applies an equality and diversity lens to appointment processes to ensure applicants are treated fairly and with respect, to promote understanding, appreciation, and realisation of the benefits of individual differences.

4.3.1.2. Planning and Reporting

NCMA integrates equality and diversity into strategic planning and reporting.

4.3.1.3. Administration committees



#### 4.4. Health and Safety

NCMA gives total commitment to the promotion and maintenance of Health and Safety in the workplace. We regard Health and Safety as a mutual responsibility of management, our employees and contractors.

We acknowledge the significance of providing as well as maintaining a safe and healthy working environment for our employees, students, volunteers, contractors, visitors and members of the public. It is our primary Health & Safety objective to observe and comply with all relevant requirements of the 2015 Health and Safety at Work Act and its regulations, the 2006 Fire Safety and Evacuation of Buildings Regulation, the Fire Service Act 1975, all relevant and applicable Codes of Practice, and Industry Specific Standards.

4.4.1. NCMA maintain a comprehensive Health and Safety Management System to ensure that:

- Responsibilities are clearly assigned and regularly reviewed
- Health and Safety objectives are set and reviewed annually
- The Board members receive appropriate training to fully understand the school's specific health & safety matters and are able to actively perform their duties
- All hazards/risks are identified and all reasonable practicable steps are taken to mitigate the exposure to significant hazards/risks, following the hierarchy of controls prescribed by the Act
- All our employees, students, volunteers, contractors and visitors are advised of hazards they may be exposed to
- Provided equipment is checked regularly and maintained in safe condition
- All our employees and contractors are consulted and encouraged to participate in Health & Safety matters
- All accidents/incidents are accurately recorded as soon as possible
- All recorded accidents/incidents are investigated to identify the contributing factors, corrective action is taken to prevent recurrence
- A treatment and rehabilitation plan that ensures a safe, early and durable return to work, is provided
- All our employees, students, volunteers and contractors know the relevant specific emergency procedures
- A system of continuous improvement, including reviewing policies and procedures each year, is promoted

4.4.2. Our employee and contractors are expected to share in this commitment to health and safety by:

- Taking reasonable care for his or her own health and safety
- Taking reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons
- Observing all safe work procedures, rules and instructions
- Ensuring all incidents, injuries and hazards are reported to the appropriate person
- Actively participating in all matters regarding Health and Safety in the workplace

#### 4.4.3. Relevant legal requirements

NCMA aims to meet or exceed the requirements of applicable current legislation, regulations, codes of practice and standards as listed below:

- Health and Safety at Work Act 2015
- Health and Safety at Work (General Risk and Workplace Management) Regulations 2016
- Health and Safety at Work (Worker Engagement, Participation, and Representation) Regulations 2016
- Health and Safety at Work (Hazardous Substances) Regulations 2017
- Fire Safety Act 1975
- Fire Safety and Evacuation of Buildings Regulations 2006
- Approved Code of Practice for the use of Visual Display
- Approved Code of Practice Management of substances hazardous to health in the place of work
- Code of Practice for manual handling
- AS/NZS 3760:2010 In-service safety inspection and testing of electrical equipment

#### 4.4.4. Responsibilities

- 4.4.4.1. The Board members will exercise due diligence to ensure that NCMA complies with its duties and obligations. This is provided for by:
- Ensuring that NCMA has available for use, and uses, appropriate resource and processes to eliminate or minimise risks to health and safety from work carried out as part of the conduct of NCMA
  - Ensuring that NCMA has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information
  - Documenting and communicating the health and safety policy, and holding our employees and contractors responsible for supporting the policy and related procedures
  - Establishing and monitoring overall health and safety goals and objectives
  - Taking appropriate actions in the event of unacceptable safety performance or behaviour
  - Incorporating health and safety as an element in position descriptions
  - Ensuring NCMA's Hazard/Risk management programme is implemented and maintained
  - Ensuring NCMA meets its reporting requirements to WorkSafe NZ
  - Expecting staff to share the responsibility for meeting the requirements of health and safety legislation and maintaining ongoing accountability through the roles and responsibilities defined below
  - Acquiring and maintaining up-to-date knowledge on occupational health and safety matters

## 4.4.4.2.

James Donaldson, in his role as Director and Health & Safety Manager, has key responsibilities as an integral part of day-to-day operations. These include the following:

- Providing leadership and direction in matters of health and safety
- Ensuring that all new staff member and contractors receive an appropriate induction training, and are involved in the improvement of systems and practices where relevant
- Maintaining a safe work environment
- Ensuring that regular safety inspections are carried out
- Consulting with our employees and contractors on relevant Health and Safety matters
- Ensuring that all hazards/risks are identified, assessed, and appropriately controlled
- Monitoring the activities of contractors to ensure that they are adopting safe work practices
- Ensuring all accidents/incidents are investigated
- Ensuring that required personal protective equipment is provided and used where appropriate
- Ensure regular Health & Safety meetings are held to provide an opportunity for our staff and contractors to participate in Health & Safety matters
- Ensuring any changes to the Health & Safety Management Plan are distributed to our staff

## 4.4.4.3.

JR Richardson, in his role as the Venue Technical Manager, is responsible for the technical facilities (sound, lighting, rigging, staging, etc) of the NCMA, including the following responsibilities:

- Work with facility management to establish best working practices on matters that relate to the use of venue technical systems, and use of facility as a performance venue.
- Liaise with venue hirers regarding the technical requirements of their event.
- Secure additional equipment and/or personnel as required.
- Liaise with facility management to arrange access to the venue for technical work.
- Make suitable arrangements to the technical systems in preparation for events.
- Provide onsite technical support for events as required.
- Ensure venue equipment receives regular maintenance and is compliant with their relevant standards.
- Manage backstage health and safety protocols relating to the alteration or operation of venue technical systems.
- Provide basic training to members of staff, venue hirers or volunteers on the safe and correct operation of technical systems.

## 4.4.4.4.

Employees, contractors and volunteer workers are aware of their duties under the Health and Safety at Work Act 2015. Their responsibilities are:

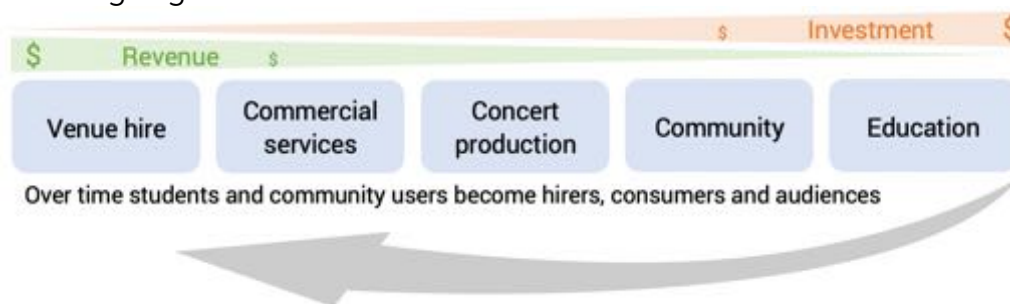
- o Complete the Induction process before commencing work.
- o Take all reasonably practicable steps to ensure their own safety and that of others.
- o Assist with the identification of all hazards/risks they are exposed to or create while at work and take all reasonably practicable steps to control these
- o Comply with any reasonable instruction that is given by management to allow NCMA to comply with the Health and Safety at Work Act 2015.
- o Co-operate with any reasonable policy or procedure of the PCBU relating to Health or Safety at the workplace that has been notified to them.
- o Immediately report accidents/incidents to management and assist in investigation.
- o Attend Health & Safety meetings when required.

## 4.4.5. Staff Consultation

- o All our employees, contractors and volunteer workers are encouraged to actively participate in health and safety matters.
- o Where changes to existing policies are being considered, they will be invited to comment and participate in the consultation process prior to implementation of changes.
- o NCMA operates as a mutually caring team, which includes employees and any contractors working for us.
- o We operate an `open door` policy where every employee or contractor is free to raise any health and safety issue, or other work-related topic with management at any given time. The entire team effectively becomes the company's Health and Safety Committee.

5. Operating environment

5.1. Investing in growth:

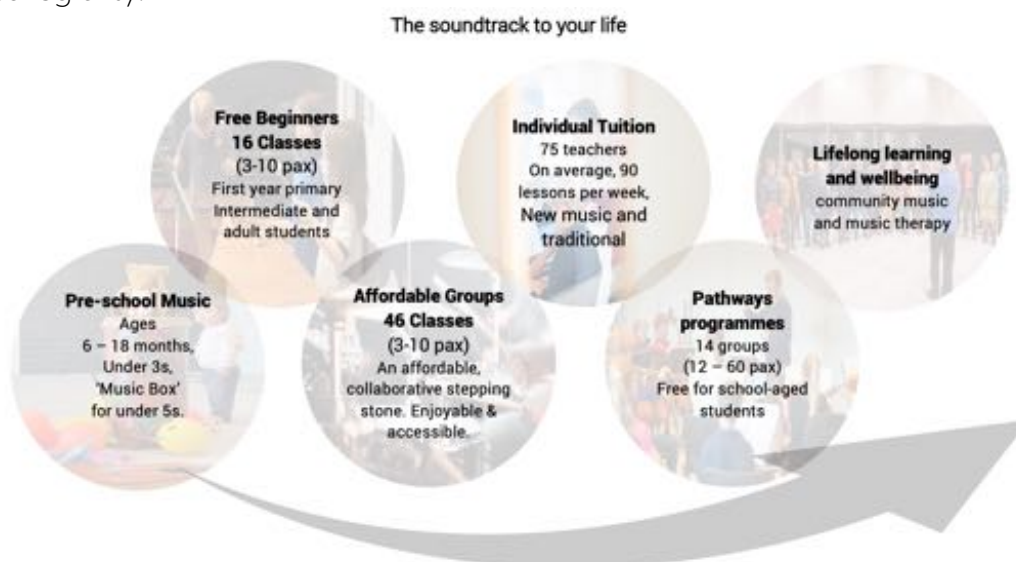


5.2. Education:

Our education programme is built around affordability, accessibility and inclusion. Our youngest student is 6 months old, our oldest 95. Students travel from Marlborough, Golden Bay and the West Coast to participate.

We are proud of our innovative approach to music education where students of all ages learn side by side in carefully designed, progressive, cross-generational programmes. We offer several courses that encourage families to explore music together. Enjoyment and fun underpin our philosophy.

We provide a supportive environment for our peer-reviewed, accredited teaching staff, including regular professional development opportunities, professional and administrative services, as well as actively promoting wellbeing, collaboration and collegiality.



Free adult beginner classes – new in 2023, funding permitting

Aligning with our qualitative goals for 2023, a programme of group classes for adult beginners is in planning. These classes will have an emphasis on social connection and wellbeing and will be free if funding is forthcoming.



### 5.3. Creativity and Community

We partner with the local community to provide to produce a range of opportunities:

- Nelson Pine Industries Thursday Lunchtime concerts, \* 40 events
- NBS Live Lounge (contemporary) and Songwriters Sessions (for youth, new in 2023) every Friday evening during daylight saving
- Full-length concerts as opportunities present
- Free concerts, our gift to the community:
  - EMERGE concerts, reigniting, and reinventing community music engagement post-Covid
  - Student concerts celebrating individual achievement
  - Beginner concerts featuring our affordable group and free beginner classes
  - Orchestral Pathways concerts featuring larger groups
- Community music providers:
  - Support for affiliated music groups whose regular rehearsals are at NCMA including 50% discount on commercial hire rates and leadership support (Chroma Chamber Choir, Nelson Civic Choir, Nelson Symphony Orchestra, Nelson Tasman Music Therapy Collective).
  - Support for other community music groups including 30% discount on commercial hire rates, where the organiser is unpaid.
- Support for local schools (30% discount on commercial hire rates)
- NCMA has signed resource - sharing agreements (facilities, instruments, music, expertise and staff) on a cost-only basis with Nelson Central School, Waimea College and NMIT.

## 5.4. Strategic development

### 5.4.1. Financial sustainability

The NSOM Trust Board have committed to the launch of the NCMA Foundation: a long-term development project that aims to reduce the Trust's reliance on charitable funding. This project seeks to significantly grow the existing pool of endowment funds.

Together with Nelson Building Society and Craig's Investment Partners, we are pleased to introduce the NCMA Foundation, an autonomous charitable trust, intended to reduce NCMA's reliance on contestable funding sources.

The NCMA Foundation will launch in July and will build between now and 2030. Our fundraising goal is aspirational: \$10 Million, by 2030.

The Foundation is structured around a "preserved capital fund" designed to grow rapidly, and perpetually. Distributions from that fund will be limited to interest earned, after inflation and costs, ensuring the value of the capital invested is maintained.

Four further "named donor funds" have already been seeded and established, from which interest earned, together with a limited portion of the capital sum may be distributed annually. These named donor funds are designed to provide practical support for specific activities:

- o The Cowie Bryant Fund for Education
- o The Kerr Hossain Family Fund for Community and Wellbeing
- o The Nelson Pine Industries fund for Performance and Events, and
- o The Pastorius Waller fund for Operations and Infrastructure.

Each sum contributed to the Foundation will be invested half in the relevant donor fund, and half in the preserved capital fund, ensuring that the Foundation always has resources to administer itself as well as support NCMA.

Current efforts are focussed on the finalising of a Trust Deed, the registration of the Foundation as a charitable trust, and the writing of appropriate Statements of Investment Policy and Objectives.

To this end the Trust have engaged an experienced and dedicated Development, Funding and Communications Manager who will work directly with a dedicated Development committee.



#### 5.4.2. Partners in Business

NCMA holds signed sponsorship agreements for the delivery of concert series with Nelson Pine Industries and Nelson Building Society.

#### 5.4.3. Realising the potential of our world-class facility

- Lead, as the overarching independent music education specialist for the Nelson region, working with existing providers such as primary and secondary schools.
- Growing partnerships with tertiary education establishments nationally and even internationally to explore distance learning opportunities and potential for these institutions to collaborate with, or use the Centre's resources.
- Explore opportunities for national music organisations to hold events at the Centre.
- Explore demand and potential for distance and online learning, and required technical infrastructure.
- Continue to develop existing relationships with other venues in the Nelson region, including a partnership approach to touring show placement based on venue suitability, sharing of production services including ticketing and research for partner productions.
- Encourage regional and national bodies to hold festival events at the Centre, researching the option of shared risk production.
- Explore activities compatible with its goals that will contribute to local economies.

The economic impact of events that pull audiences into Nelson/Tasman is significant. An estimated \$8.5 million income was generated by the Adam Chamber Music Festival in 2015 (published by Nelson Music Festivals Trust and Victoria University).

#### 5.4.4. Contestable funding

NCMA has developed relationships with the following sources of contestable charitable funding:

- Rātā Foundation.
- Ministry of Culture and Heritage | Manatū Taonga.
- NZ Community Trust.
- NZ Music Commission.
- Mainland Foundation.
- McKee Trust.
- Lion Foundation.
- Pub Charities Ltd.
- City of Nelson Civic Trust.
- NSOM Endowment Trust.

### 5.5. Facility investment and maintenance:

- Our 10-year maintenance plan proposes an annual investment of \$40,472.
- The Nelson School of Music Endowment Trust is expected to contribute \$20,000 annually towards capital purchases. Further accrual of funds in this Trust is expected to enable significant further investment in asset maintenance.

Year	Element	Description	Estimate
2023	Building inspections	Annual cost for IQP Compliance Testing and inspections of sprinklers, Distribution/Switch boards, Lighting, Lifts, HVAC	\$11,280
	Roofing	Annual roof wash down with Pressure washer	\$1,395
	Cladding / windows / Doors	Window cleaning every 6 months (fee shown for 12 months), An annual building wash down excluding roof	\$9,352
	Floor Coverings	Twice yearly steam cleaning on Auditorium timber floors including 3-yearly timber staining	\$3,690
2024	Building inspections	Annual cost for IQP Compliance Testing and inspections of sprinklers, Distribution/Switch boards, Lighting, Lifts, HVAC	\$11,280
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	Floor Coverings	Twice yearly steam cleaning on Auditorium timber floors including 3-yearly timber staining	\$3,690

### 5.5.1. Capital investment needs:

#### Facility

- |   |                                   |        |
|---|-----------------------------------|--------|
| o | Ticketing desk re-design          | 10,000 |
| o | Sound control doors around Secker | 10,000 |

#### Education

- |   |                    |       |
|---|--------------------|-------|
| o | Double bass ½ size | 4,000 |
|---|--------------------|-------|

#### Technical

- |   |                                      |        |
|---|--------------------------------------|--------|
| o | PAT Tester                           | 799    |
| o | General Cabling                      | 2,000  |
| o | 6x Profile Spotlights                | 6,000  |
| o | Recital Monitor / Visual system      | 3,500  |
| o | Portable speaker system              | 7,600  |
| o | Greenroom monitors                   | 1,200  |
| o | Auditorium Projector and screen      | 13,000 |
| o | Stage left compact PA                | 600    |
| o | Smoke Isolation in Recital theatre   | 8,000  |
| o | Recital Theatre lighting and console | 11,800 |

#### Performance Resources

- |   |                         |        |
|---|-------------------------|--------|
| o | Orchestra Chairs/Stands | 15,500 |
| o | Concert Harp            | 20,000 |

#### Grounds and landscaping

- |   |                                |       |
|---|--------------------------------|-------|
| o | One more reclaimed bike stand! | 3,000 |
|---|--------------------------------|-------|

## 5.6. Pandemic response

NCMA has responded to the pandemic with prudent action through an unprecedented period of persistent change and suppressed activity. This response has proven effective. NCMA has followed the lead of the Chief Medical Officer of Health (Ministry of Health) together with guidance from the Ministry of Education as it applies to our Education programme and EVANZ as it applies to events.

Our pandemic and natural disaster policies are available on request and online.

Current pandemic risk management strategies are addressed in [1.2.1.2](#).

## 5.7. Climate Change

- NCMA is receiving external advice on **solar energy** in the first quarter of 2023 with the aim of contributing as much to the grid as we draw.
- We regularly review HVAC and heating schedules with the aim of minimising energy waste.
- We encourage responsible use of paper in both administrative and education settings, maintaining a sheet music library and utilising technology where practical.
- We have increased bike parking from 2 to 8 in 2022, and a further 6 spaces are in construction.
- We are working towards a reliable measure of our carbon emissions.
- We successfully reduce waste through a detailed management plan:

<b>The Purpose of Our Waste Management Plan</b>		
<ul style="list-style-type: none"> <li>✓ To encourage sustainable use of materials</li> <li>✓ To reduce waste and disposal costs</li> <li>✓ To be more efficient and cost-effective with materials</li> <li>✓ Improved workplace and public safety</li> <li>✓ Reduced legal and financial liability</li> <li>✓ Improved community trust and relations</li> </ul>		
<b>Our Waste Management Hierarchy</b>		
Our waste management practices are prioritised in the following order: <ul style="list-style-type: none"> <li>✓ Reduction</li> <li>✓ Re-use</li> <li>✓ Recycling</li> <li>✓ Recovery (use as fuel source)</li> <li>✓ Residual Disposal (Cleanfill/Landfill/Hazardous Waste)</li> </ul>		
<b>Our Targets:</b>		
Waste Measure	Target	Actual
Waste by volume (L) less than:	240 (L)	310 (L)
Recycling Rate by Volume (%):	300 (L)	240 (L)
<b>Type of Waste Material</b>		<b>Estimated Volume (L)</b>
Glass bottles	Recycling	50
Cardboard		80
Reclaimable Plastics		50
Paper		60
<b>TOTAL RECYCLING</b>		<b>240</b>
Non-reclaimable plastics	Waste	150
General kitchen waste		100
Office waste		50
<b>TOTAL</b>		<b>300</b>

Waste Types and Minimisation Actions	
Waste Source	Actions to Minimise Waste
Consumables Selection	Consumables are selected with low waste and low environmental impact (including being recyclable or including recycled content) in consideration.
Order Quantities	Waste allowances for product quantities reviewed and minimised
Delivery & Storage	Deliveries scheduled 'just in time' where practical to avoid onsite storage and damage Fit-for purpose storage for products susceptible to onsite damage. Waste bins kept away from public view and access whenever possible Recycling sign prominently displayed on site using recycling symbol and stating 'We are recycling on this site. NO UNAUTHORISED DUMPING' or similar
General Waste	Valuable or useful excess materials such as paint, floor coverings, fixtures and fittings neatly stored for future use. Excess re-usable product can be sold on Trademe or the Waste Exchange ( <a href="http://www.wasteminz.org.nz/wasteexchange/index.htm">www.wasteminz.org.nz/wasteexchange/index.htm</a> ) Excess re-usable materials can be given away to others, offered 'FREE' kerbside or donated to non-profit organisations, such as Habitat for Humanity ReStores Waste is compacted, flat stacked as much as possible to reduce volume in waste skips.
Knowledge	Only preferred waste collection and recycling operators to be used for project waste disposal services (See preferred waste operators attached)
Packaging	Where domestic recycling operates in the area, cardboard is stacked on the kerbside ready for collection or dropped off at local recycling depots.
Hazardous	Hazardous substances such as liquid paints, stains, timber treatments, and solvents contained carefully onsite and disposed of correctly. Hazardous waste disposal operators listed on this WMP.
Other	Signage in the Kitchen encouraging responsible waste management. Hirer and artist contracts encourage responsible waste management. Encourage digital media instead of hard copies Recycling stations in the office and foyer

## 6. Accountability

### 6.1. Information to be provided to NCC

#### Strategic Presentation

The Trust will report to a meeting of Council twice annually, presenting:

- Statement of Financial Performance and Statement of Financial Position,
- Informed assessment of Council funding and support over the reporting period,
- Commentary on NCMA's activities,
- Other such information as the Trustees consider necessary to enable an informed assessment of performance over the period being reported.

## 7. Forecast financial information

### 7.1. Statement of significant assumptions

#### 7.1.1. Introduction

NCMA's Statement of Intent covers the period 01 January 2023 to 31 December 2025.

The prospective financial statements are based on a realistic forecast of future events at the time this document was prepared.

#### 7.1.2. Inflation

Forecasts and budgets include an average increase of 10% on revenues and 6% on expenses in the 2023 calendar year when compared with the 2022 budget. In respect of the 2024 and 2025 calendar years an increase of 3% has been applied to both revenue and expenditure to provide for inflation.

We have assumed a 5% increase in Council grant funding in each year 2023 to 2025, in the context of reported 7.22% inflation nationally in the 2022 calendar year.

Since this document was written Council have released their annual plan 2023-2024 for consultation. In the case Council cannot increase grant funding by the assumed 5% uplift in grant funding for 2023, NCMA will seek a commercial line of credit to meet the shortfall.

#### 7.1.3. Opening cash position

In the absence of audited financial data for the calendar year ended, this document assumes a starting cash position of \$151,055 as at 31 December, 2022.



#### 7.1.4. NCMA Foundation

As at 31 December 2022 \$640,657 in funds received in respect of the new NCMA Foundation Trust are recorded on the NSOM Trust Statements of Financial Position.

By the end of 2023 those funds will be deposited on the newly established Trust.

#### 7.1.5. Loan repayments and facility maintenance

In an email dated 1 July 2022, Council's Group Manager Community Services asked if remission of existing debt to Council would be welcomed by the Trust, and for an indication of the outcomes for our community should Council choose to remit the debt.

The Trust's response included the following statement:

*For as long as a debt remains, the Trust considers we have an obligation to Council and will act in good faith to ensure repayments are made in a responsible manner.*

*However, the Trust would welcome remission of our debt to Council. This would help us save proactively for future capital renewal of our Nile Street Facility, breaking a cycle of historical borrowing for that purpose that has given rise to valid criticism.*

*Understanding the provenance of the debt, the Trust considers it appropriate that funds released through remission of our debt are reserved for future capital replacement.*

*Debt repayments currently make it hard for the Trust to adequately provide for future capital renewal. Investment will certainly be needed before the term of the current loan expires. Remission of the current debt will empower the Trust to set adequate funds aside for the inevitable.*

In that there will be net losses in general funds after depreciation in each year 2023 – 2025, the forecasts presented illustrate the Trust's position on debt remission.

## Appendices:

I) Forecast Financial Statements  
 i) Financial Performance

NCMA Operations	2023	2024	2025
<b>Revenue</b>			
Sponsorship Revenue	71,250	98,000	100,000
Grants Revenue	474,462	381,151	393,753
Fees Assistance Revenues	3,200	3,200	3,200
Donations Revenue	9,000	9,000	9,000
Membership Revenue	23,296	24,384	25,096
Fees Revenue	118,326	90,365	92,375
Sales Revenues	132,176	148,061	154,408
Recoveries	80,942	105,585	100,333
Venue Hire Revenues	127,051	157,640	146,612
<b>Total revenues</b>	<b>1,039,703</b>	<b>1,017,386</b>	<b>1,024,778</b>
<b>Expenditure</b>			
HR: Administration	579,957	628,850	626,944
HR: Contracts	139,065	81,934	89,088
HR: Production	15,414	20,418	19,854
Fees Assistance Expenses	5,950	6,575	6,575
Production Expenses	53,847	51,715	53,935
Travel & Accommodation Expenses	28,403	10,291	10,291
Communications Expenses	33,212	26,957	29,947
Equipment Hire Expenses	6,915	7,308	7,501
Product Purchases	30,170	33,704	32,438
Administration & Resources Expenses	19,759	18,775	19,985
Information Technologies Expenses	17,165	15,778	16,251
Accounting & bank expenses	13,369	12,270	12,764
Facility Expenses	74,545	76,896	79,900
Repairs & Maintenance Expenses	17,908	18,295	18,844
Security Expenses	3,741	3,816	4,009
<b>Total expenditure</b>	<b>1,039,420</b>	<b>1,013,580</b>	<b>1,028,325</b>
<b>Budgeted net profit / (loss) - EBITDA</b>	<b>284</b>	<b>3,806</b>	<b>(3,547)</b>
<b>Non-operating items</b>			
<b>Income</b>			
Board fundraising	33,000	33,000	33,000
Capital assets grants	10,000	-	-
Interest Received	-	-	-
<b>Total non-operating income</b>	<b>43,000</b>	<b>33,000</b>	<b>33,000</b>
<b>Expenditure</b>			
Capital purchases	11,500	-	-
Depreciation	147,971	138,761	130,984
Interest Paid	-	-	-
Loan repayments	33,000	33,000	33,000
<b>Total non-operating expenditure</b>	<b>192,471</b>	<b>171,761</b>	<b>163,984</b>
<b>Net Profit / (loss) after non-operating items</b>	<b>(149,187)</b>	<b>(134,954)</b>	<b>(134,531)</b>
<b>Cashflow Adjustments</b>			
Net accrual adjustments	25,602	7,000	-
Net depreciation	147,971	138,761	130,984
Net GST	(1,633)	929	803
<b>Total adjustments</b>	<b>171,940</b>	<b>146,689</b>	<b>131,787</b>
<b>Net cash after GST and non-operating items</b>	<b>22,753</b>	<b>11,735</b>	<b>(2,744)</b>
Opening cash and cash equivalents	151,055	173,808	185,543
<b>Closing cash and cash equivalents</b>	<b>173,808</b>	<b>185,543</b>	<b>182,799</b>

## ii) Forecast Financial Position

NCMA Operations	2,023	2,024	2,025
<b>Assets</b>			
Cash and cash equivalents	173,808	185,543	182,799
<b>Current Assets</b>			
Accounts receivable	8,318	8,139	8,198
Prepayments	7,985	8,224	8,471
Stock on Hand	4,156	4,280	4,409
<b>Total Current Assets</b>	<b>20,458</b>	<b>20,644</b>	<b>21,078</b>
<b>Non-current Assets</b>			
Fixed Assets	9,634,286	9,495,526	9,364,542
<b>Total Non-current Assets</b>	<b>9,634,286</b>	<b>9,495,526</b>	<b>9,364,542</b>
<b>Total Assets</b>	<b>9,828,552</b>	<b>9,701,712</b>	<b>9,568,418</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	38,459	37,502	38,048
GST Paid (Refund)	(1,633)	929	803
Employee costs payable	35,129	36,183	37,268
Monies in advance	60,000	30,000	60,000
Term Loans Current Portion	33,000	33,000	33,000
<b>Total Current Liabilities</b>	<b>164,954</b>	<b>137,614</b>	<b>169,120</b>
<b>Non-current Liabilities</b>			
Term loans	663,551	630,551	597,551
<b>Total Non-current Liabilities</b>	<b>663,551</b>	<b>630,551</b>	<b>597,551</b>
<b>Total Liabilities</b>	<b>828,505</b>	<b>768,165</b>	<b>766,671</b>
<b>Net Assets</b>	<b>9,000,047</b>	<b>8,933,547</b>	<b>8,801,748</b>
<b>Equity</b>			
Accumulated Funds	(1,979,222)	(2,059,954)	(2,192,177)
Bequests Grouped	598,529	598,529	598,529
Current Year Earnings	(149,187)	(134,954)	(134,531)
Redevelopment Donations	8,440,726	8,440,726	8,440,726
Revaluation Reserve	2,089,200	2,089,200	2,089,200
<b>Total Equity</b>	<b>9,000,047</b>	<b>8,933,547</b>	<b>8,801,748</b>

## II) Statement of Accounting Policies

### i. Reporting Entity

The Nelson School of Music Trust Board (the School) was incorporated on 20 December 1898 under the Religious, Charitable and Educational Trust Boards Incorporated Act of 1894. On 10 January 2008 the School registered as a charitable entity under the Charities Act 2005.

### ii. Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

### iii. Significant Accounting Policies

#### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

#### Income Tax

The entity is exempt from income tax in New Zealand on the basis it is a registered charity and accordingly entitled to exemptions for such charities pursuant to sections CW 41 and CW 42 of the Income Tax Act 2007.

#### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

#### Property, plant and equipment

Fixed Assets are valued at historical cost less depreciation and impairment, or revalued as detailed in the table below.

Account	Method	Rate	Valuation Model
Furniture & Equipment - Fixed Asset	Diminishing Value	5%	Historical Cost less depreciation
Music Library - Fixed Asset	Diminishing Value	5%	Historical Cost less depreciation
Musical Instruments - Fixed Asset	Diminishing Value	5%	Historical Cost less depreciation
Steinway Piano - Fixed Asset	Diminishing Value	3%	Market Value less depreciation
Cawthron Organ - Fixed Asset	Diminishing Value	1.5%	Historical Cost less depreciation
Chattels - Fixed Asset	Diminishing Value	20%	Historical Cost less depreciation
Land - Fixed Asset	No Depreciation		Rateable Value
Buildings - Fixed Asset	Straight Line	1.5%	Rateable Value less depreciation

## Revenue Recognition

- a. Bequests  
Bequest funds received (both capital and income) and payments are recorded in the Statement of Financial Performance during the period in which the funds are received or expended. These funds are separately identified as a reserve in Accumulated Funds.
- b. Income  
Income is generally recognised in the Statement of Financial Performance during the period in which it is received unless it relates to a specific activity for which the expenditure has not yet been incurred, in which case it is recorded as a liability on the Statement of Financial Position.
- c. Interest  
Interest income is recognised on an accrual basis.

## Accounts Receivable

Accounts Receivable are stated at their estimated realisable value, after deducting any provision for impairment.

## Stock on Hand

Stock on hand is valued at the lower of cost and net realisable value using the first-in first-out method.

## Accounts Payable

Accounts Payable are measured at fair value.

## Monies Received In Advance

Monies Received In Advance represents monies (i.e. grants, donations, fundraising appeals and income from bequests for specific purposes) received in advance of the period when the specific related expenditure will be incurred.

## Tier 2 PBE Accounting Standard Applied

Nelson Centre of Musical Arts has elected to replace a Tier 3 accounting standard with a Tier 2 PBE accounting standard, specifically fixed assets have been revalued in accordance with PBE IPSAS 17, Property, Plant and Equipment.

### III) Governance

#### i. The Board's approach:

The NSOM Trust Board is small, but highly experienced and skill specific. After the rebuild 2013- 2018, when NCMA was operating with a new Director and minimal staff, the Board worked closely alongside management to mentor and support staff with inevitable overlap between governance and management. In 2023, with a full complement of staff and 5 years of operation, the Board has now stepped back into a more defined governance role, while continuing to be very available to management in a hands-on role when requested. The Board has a close relationship with both management and staff, with joint representation on most subcommittees. In summary, a close, open, friendly approach, but with respect for and awareness of the boundaries between governance and management.

Board Priorities for 2023:

- o Long-term financial sustainability
- o Staff, Member and venue user experience and wellbeing
- o Broadening experiences for audiences and students

#### ii. Performance evaluation

This close-knit Board is in regular contact with each other by phone in addition to monthly full Board meetings and numerous sub-committee meetings. We are constantly evaluating our performance and tweaking our direction if necessary. This includes our relationship with the Council. An annual review of Board performance takes place mid-year at the same time as staff are reviewed. Management are invited to contribute to this.

The Board appreciates the opportunity to work closely with the Council when appointing Trustees and the two most recent 2022 appointments reflect the quality and collaboration of the recruitment process.

#### iii. Succession planning

The Board is very aware of the need to plan for succession, especially given its small size. In 2023 the Board intends to appoint trainee non-voting members in anticipation of upcoming vacancies. Incoming Board Chairs are targeted a year in advance and outgoing Chairs continue as Trustees to endure a satisfactory handover of responsibilities.

#### iv. Tikanga Māori

During the rebuild, Board members consulted with iwi to ensure the venue was suitable for toi whakaari Māori and appropriate modifications were made at their request. The Board embraces te reo Māori, tikanga Māori and the kaupapa of Te Tiriti o Waitangi and we look for Trustees who endorse this. It is not a prerequisite, however.

## IV) Index of responses to the Statement of Expectation

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