



FINANCIAL REPORT

FOR THE YEAR ENDED
31 DECEMBER 2019

MUSICA VIVA AUSTRALIA LIMITED BY GUARANTEE
ACN 000 111 848

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
REVENUES FROM ORDINARY OPERATING ACTIVITIES -			
Income From Operations	1	5,844,708	6,289,865
Local Government Subsidies	2	0	0
State Government Subsidies	3	1,105,613	1,273,309
Grant by the Australia Council	4	1,774,189	1,746,249
Grant by the Dep't of Communication and the Arts (Federal)		208,012	387,738
Other Income	5	<u>6,111,821</u>	<u>4,194,375</u>
		<u>15,044,343</u>	<u>13,891,536</u>
EXPENSES FROM ORDINARY OPERATING ACTIVITIES -			
Direct Operating Expenses		6,724,538	7,408,191
Administration and General Expenses		<u>6,403,902</u>	<u>6,120,591</u>
		<u>13,128,440</u>	<u>13,528,782</u>
SURPLUS FROM ORDINARY OPERATING ACTIVITIES	6	1,915,903	362,754
OTHER COMPREHENSIVE INCOME			
Net profit/(loss) on revaluation of financial assets		<u>614,451</u>	<u>(170,532)</u>
		<u>614,451</u>	<u>(170,532)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,530,354</u></u>	<u><u>192,222</u></u>

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	2,493,208	2,334,992
Financial Assets	8	5,303,665	2,691,070
Receivables	9	445,055	874,985
Prepayments and Sundry Deposits		769,187	938,006
TOTAL CURRENT ASSETS		9,011,115	6,839,053
Non-Current Assets			
Property, Plant & Equipment	10	8,639,700	8,905,587
Financial Assets	11	882,162	722,754
TOTAL NON-CURRENT ASSETS		9,521,862	9,628,341
TOTAL ASSETS		18,532,977	16,467,394
LIABILITIES			
Current Liabilities			
Payables		579,197	487,250
Advances	12	2,626,571	3,154,538
Provisions - Current	13	297,811	335,027
TOTAL CURRENT LIABILITIES		3,503,579	3,976,815
Non-Current Liabilities			
Provisions - Non Current	13	44,318	35,853
TOTAL NON-CURRENT LIABILITIES		44,318	35,853
TOTAL LIABILITIES		3,547,897	4,012,668
NET ASSETS		14,985,080	12,454,726
MEMBERS FUNDS			
Accumulated Operating Funds		8,270,478	8,433,698
Centenary Appeal Funds	17	5,211,734	3,158,611
Artist Initiatives Funds		401,200	375,200
		13,883,412	11,967,509
Asset Revaluation Reserve		798,668	184,217
Reserves Incentive Scheme Funds	18	303,000	303,000
TOTAL MEMBERS FUNDS		14,985,080	12,454,726

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN MEMBERS FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
ACCUMULATED OPERATING FUNDS			
Opening Accumulated Operating Funds		8,433,698	8,318,270
Surplus from Ordinary Activities		1,915,903	362,754
Transfer from Centenary Appeals Funds		165,103	277,330
Transfer to Centenary Appeals Funds		(2,218,226)	(544,156)
Transfer from Artist Initiatives Funds		100,000	150,000
Transfer to Artist Initiatives Funds		(126,000)	(130,500)
Accumulated Operating Funds at year end		<u>8,270,478</u>	<u>8,433,698</u>
CENTENARY APPEAL FUNDS			
	17		
Opening Centenary Appeal Funds		3,158,611	2,891,785
Transfer to Accumulated Operating Funds		(165,103)	(277,330)
Transfers from Accumulated Operating Funds		2,218,226	544,156
Centenary Appeal Funds at year end		<u>5,211,734</u>	<u>3,158,611</u>
ARTIST INITIATIVES FUNDS			
Opening Artist Initiatives Funds		375,200	394,700
Transfer to Accumulated Operating Funds		(100,000)	(150,000)
Transfer from Accumulated Operating Funds		126,000	130,500
Artist Initiatives Funds at year end		<u>401,200</u>	<u>375,200</u>
ASSET REVALUATION RESERVE			
Opening Asset Revaluation Reserve		184,217	354,749
Transfer of prior revaluation of freehold land and buildings		0	0
Revaluation of financial assets		614,451	(170,532)
Asset Revaluation Reserve at year end		<u>798,668</u>	<u>184,217</u>
RESERVES INCENTIVE SCHEME FUNDS			
	18		
Opening Reserves Incentive Scheme Funds		303,000	303,000
Transfer from Accumulated Operating Funds		0	0
Reserves Incentive Scheme Funds at year end		<u>303,000</u>	<u>303,000</u>
TOTAL MEMBERS FUNDS AT THE END OF THE YEAR		<u>14,985,080</u>	<u>12,454,726</u>

The Accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Statements of significant accounting policies

The financial statements of Musica Viva Australia for the year ended 31 December 2019 were authorised for issue by a resolution of the Directors on 2 April 2020.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act)

Musica Viva Australia is a company limited by guarantee, incorporated and domiciled in Australia. It operates as a non-profit organisation.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by Musica Viva Australia in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Significant accounting methods applied are as follows:

- (i) Income and expenses are brought to account generally as earned and incurred.
- (ii) Land and Buildings are shown at acquisition cost as at 30 November 2016. Other fixed assets are shown at cost less depreciation. Depreciation of the Building in which Musica Viva holds a 75% share has been included in property costs which are netted against property rental income.
- (iii) Depreciation is calculated to expense the cost over the estimated useful life of the respective fixed asset. The rates of depreciation are 2.5% per annum on cost of Buildings, 2.5%-10% on building improvements, 33.3% per annum on the cost of Computer Software, and 20% per annum on the cost of other fixed assets.
- (iv) Foreign exchange losses in 2019 amounting to \$950, (2018 - gains: \$2,901) representing the revaluation of the US Dollar cash at bank as at the reporting date, has been credited to Administration and general expenses in the Statement of Profit or Loss and Other Comprehensive Income.

As at the balance sheet date no forward foreign currency exchange contracts were in place (2018 - \$0).
- (v) Segment accounting - Musica Viva Australia's activities which comprise concert organisation and promotion and music education are carried on predominantly within Australia.
- (vi) During 2019, Musica Viva provided \$nil grants to the Australian Music Foundation (2018 - \$nil). The Australian Music Foundation provided \$nil grants to Musica Viva Australia in 2019 (2018 - \$80,000) for its operational activities.

- (vii) Musica Viva Australia is a non-profit organisation and no tax is payable on the surplus from its operations. Correspondingly no tax benefit accrues from losses and is therefore not recognised in the accounts.
- (viii) Limitation of Members' Liability. In accordance with Musica Viva Australia's Constitution the liability of members in the event of Musica Viva Australia being wound up would not exceed \$10.00 per member.
- (ix) The Number of Employees as at the balance sheet date was 66 (2018 - 65).
- (x) Payables. Trade creditors represents liabilities for goods and services provided to Musica Viva Australia prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.
- (xi) Receivables. The terms of trade are 7 days from date of invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists and debts which are known to be uncollectable are written off. The Company has no significant concentrations of credit risk.
- (xii) Net Fair Value of Financial Assets and Liabilities. The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities represent their carrying value. Interest received on funds in bank accounts and on deposit is at current market value. Musica Viva Australia is subject to market changes in respect of its cash on deposits and its financial assets.
- (xiii) Comparative Figures. Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- (xiv) Musica Viva Australia receives financial support from a number of government agencies at the local, state, territory and federal levels. All funding is expended in accordance with the requirements of the relevant funding agreements.
- (xv) Critical Accounting Estimates and Judgements. The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements - Available-for-sale investments.
The company maintains portfolios of securities with a market carrying value of \$6,185,827 at the end of the reporting period. The value of these investments has and will change in line with equity market movements given the nature of the investments. The value has fallen by 17.2% since the reporting date due to the impact of the COVID-19 outbreak on the financial markets. The investments are held for the long term and no adjustment has been reflected in these financial statements. Current financial modelling shows no near-term requirement to liquidate investments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Statements of Significant accounting policies (cont'd)

(xvi) Adoption of New and Revised Accounting Standards

The company has considered all new and amended accounting standards effective from 1 January 2019. These include AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-for-Profit Entities and AASB 16: Leases. On the application of these standards none were considered to have any material impact on the company and there were no adjustments required to be made to the opening balance of members funds.

(xvii) Subsequent Events

Since the year end the COVID-19 pandemic has arisen and could have significant adverse impacts on the operations of the Company in 2020. The magnitude of any impacts is not know at this stage, but there is a possibility that the issue could put significant pressure on the Company's cash flows. However, current financial modelling shows sufficient reserves to sustain operations.

	2019 \$	2018 \$
1 Income from Operations		
Subscription Tickets	2,081,202	2,134,520
Box Office Takings	1,405,926	1,547,657
Broadcast & Television Fees	16,150	15,300
Programs & Merchandising	2,255	8,735
Fees & Expenses from other Organisations	454,747	485,685
Schools Concerts	1,884,428	2,097,968
	<u>5,844,708</u>	<u>6,289,865</u>
2 Local Government Subsidies Expended		
City of Perth	0	0
City of Sydney	0	0
	<u>0</u>	<u>0</u>
3 State Government Subsidies Expended		
New South Wales Government		
Create NSW		
General Grant	407,705	407,705
Special Funding - Regional	16,996	16,996
Musica Viva In Schools	130,432	130,432
NSW Department of Industry	37,500	0
Victoria		
Creative Victoria	300,000	454,000
Dep't of Education and Training	23,100	23,800
ACT		
ACT Education Directorate	0	15,000
Western Australia		
Department of Education	0	36,000
Department of Local Government, Sports and Cultural Industries	32,000	32,000
Healthway	80,000	80,000
South Australia		
Department of Education and Child Development	23,636	23,636
Carclew Youth Arts	30,000	30,000
Northern Territory		
Department of Education	24,244	23,740
	<u>1,105,613</u>	<u>1,273,309</u>

	2019 \$	2018 \$
4 Grant by the Australia Council		
General Grant	1,774,189	1,746,249
5 Other Income		
Investment Income	225,071	132,427
Sponsorship & Donations	3,413,016	3,424,526
Bequests	2,176,630	384,195
Creative Partnerships Australia	0	0
Rent Recoveries	289,754	220,628
Sundry Income	7,350	32,599
	<u>6,111,821</u>	<u>4,194,375</u>
6 Surplus from Ordinary Operating Activities		
The operating surplus is arrived at after (crediting)/charging the following specific items:		
Dividends received	(129,124)	(42,529)
Interest Received	(95,947)	(89,898)
Depreciation		
Buildings	232,685	226,465
Plant, Equipment & Vehicles	108,930	108,307
	<u>341,615</u>	<u>334,772</u>
Provisions		
Annual Leave	39,975	56,182
Long Service Leave	(68,726)	(154,662)
	<u>(28,751)</u>	<u>(98,480)</u>
7 Cash and Cash Equivalents		
Cash At Bank	160,892	143,791
Cash At Bank - US\$	24,474	38,960
Cash on Hand	1,707	10,175
Commonwealth Bank Deposit	23,635	23,197
Bank West	0	509,116
ING Bank (Australia) Limited	4,276	103,766
Rabobank Australia Limited	957,064	721,517
National Australia Bank Limited	399,935	415,342
Bank of Queensland Limited	111,792	0
ME Bank	809,433	369,128
	<u>2,493,208</u>	<u>2,334,992</u>
8 Current Financial Assets		
Available for sale and reinvestment Units in Managed Funds - At current market value	<u>5,303,665</u>	<u>2,691,070</u>
8(a) Movements in Carrying Amounts of Current Financial Assets		
		Financial Assets
Balance at the beginning of the year		2,691,070
Additions		2,127,370
Revaluation increments		485,225
Carrying amount at the end of the year		<u>5,303,665</u>
9 Receivables		
Debtors	450,055	879,985
Provision for Doubtful Debts	(5,000)	(5,000)
	<u>445,055</u>	<u>874,985</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 \$	2018 \$
10 Property Plant & Equipment		
Land and Building		
Land at acquisition 30-Nov-2016	3,217,500	3,217,500
Building at acquisition 30-Nov-2016	2,495,169	2,495,169
Building improvements at cost	2,945,870	2,911,958
Accumulated depreciation - Building	<u>(592,787)</u>	<u>(360,102)</u>
	<u>8,065,752</u>	<u>8,264,525</u>
Plant and Equipment		
Plant and Equipment at cost	1,363,303	1,345,818
Accumulated depreciation	<u>(789,355)</u>	<u>(704,756)</u>
	<u>573,948</u>	<u>641,062</u>
Total Property, Plant & Equipment	10,021,842	9,970,445
Accumulated depreciation	<u>(1,382,142)</u>	<u>(1,064,858)</u>
	<u>8,639,700</u>	<u>8,905,587</u>

10 (a) Movements in Carrying Amounts of Property, Plant & Equipment:

	Land & Buildings	Plant & Equipment	Total
Balance at the beginning of the year:	8,264,525	641,062	8,905,587
Additions	33,912	41,858	75,770
Disposals	0	(42)	(42)
Revaluation increments	0	0	0
Depreciation	(232,685)	(108,930)	(341,615)
Carrying Amount at the end of the year:	<u>8,065,752</u>	<u>573,948</u>	<u>8,639,700</u>

11 Non-Current Financial Assets

Available for sale and reinvestment
Units in Managed Funds
- At current market value

882,162	722,754
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Information regarding the access to these investments is provided at Note 18.

11(a) Movements in Carrying Amounts of Non-Current Financial Asset:

	Financial Assets
Balance at the beginning of the year	722,754
Additions	30,182
Revaluation increments	129,226
Carrying amount at the end of the year	<u>882,162</u>

12 Amounts received in advance

Concert Subscriptions and tickets	1,716,586	1,984,232
MVIS booking deposits	114,924	10,084
Sponsorship	708,201	725,422
NSW Department of Industry	30,000	0
SA Dept of Education & Child Development	15,000	11,818
Dep't of Communication and the Arts (Federal)	0	399,229
Rental income	41,860	23,753
	<u>2,626,571</u>	<u>3,154,538</u>

13 Provisions

Current		
Staff Annual Leave	251,337	211,362
Long Service Leave	46,474	123,665
	<u>297,811</u>	<u>335,027</u>
Non-current		
Long Service Leave	<u>44,318</u>	<u>35,853</u>

14 Auditors Remuneration

Amounts receivable by the Auditors for:

Audit of Musica Viva Australia accounts	0	0
Other services	0	0
	<u>0</u>	<u>0</u>

15 Commitments for Expenditure

0	0
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16 Contingent Liabilities

Contingent Liabilities exist in respect of contracts entered into with artists, and are estimated at:

Contracts with artists	164,000	168,750
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17 Centenary Appeal Funds

The Musica Viva Centenary Appeal helps to secure the future of fine music in Australia and aims to assist the process of meeting the challenges of the next fifty years

Details of the Appeal for the year ended 31 December 2019 are:

Net Centenary Appeal Funds as at 1 January 2019	3,158,611	2,891,785
Additions to The Fund	2,218,226	544,156
Use of The Fund	<u>(165,103)</u>	<u>(277,330)</u>
	<u>2,053,123</u>	<u>266,826</u>

Net Centenary Appeal Funds as at 31 December 2019	<u>5,211,734</u>	<u>3,158,611</u>
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Funds raised through the Centenary Appeal are reserved for use in the future to maintain the presence of quality live music. Access to these Funds is not restricted.

18 Reserves Incentive Scheme Funds

The Reserves Incentive Scheme Funds were received under an agreement between Musica Viva Australia, the Australia Council for the Arts, and Arts NSW.

Reserves Incentive Scheme Funds as at 1 January 2019	303,000	303,000
Funds received from the Australia Council	0	0
Funds received from Arts NSW	0	0
Funds allocated from Accumulated Operating Funds	0	0
Reserves Incentive Scheme Funds as at 31 December 2019	<u>303,000</u>	<u>303,000</u>

The funds are held in accordance with the Investment Strategy adopted by the Board of Directors and approved by the funding agencies as determined by the Agreement. These funds are not used to secure any liabilities of Musica Viva Australia.

The investment of these funds has given rise to the financial assets disclosed at Note 11. Access to \$558,999 (2018 - \$429,772) of these Funds is restricted under the terms of the Agreement.

Included within investment income (see note 5) is an amount of \$30,540 (2018 - \$16,022) representing net income earned from these investments, over which there are no restrictions of use.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 \$	2018 \$
19 Related Party Transactions		
Remuneration of Directors:		
The Constitution of Musica Viva Australia prohibits the payment of fees to a director for acting as a director (Clause 45.1).		
Remuneration of Key Management Personnel (11 staff, 2018: 13 staff):		
Short term benefits	1,212,918	1,139,505
Post employment benefits	113,563	108,123
Total remuneration	<u>1,326,481</u>	<u>1,247,628</u>

20 Fundraising

Musica Viva Australia undertakes fundraising appeals throughout the year; it holds an authority to fundraise under the Charitable Fundraising Act, 1991 (NSW); additional information and declarations to be furnished under this Act follow:

Details of Aggregate Gross Income and Total Expenses of Fundraising

Gross proceeds from fundraising appeals		
Individual giving	3,431,438	1,841,222
Fundraising events	44,303	65,463
	<u>3,475,741</u>	<u>1,906,685</u>
Less		
Total costs of fundraising appeals		
Individual giving	51,003	89,610
Fundraising events	8,808	27,004
	<u>59,811</u>	<u>116,614</u>
Net Surplus obtained from Fundraising	<u>3,415,930</u>	<u>1,790,071</u>

Application of Funds

Funds raised through individual giving and fundraising events support Musica Viva Australia concert and education activity.

Forms of Fundraising

Appeals held during the year ended 31 December 2019:

- ~ General and Personal Appeals for the Centenary Fund, Amadeus Society, Equal Music and for the Virtuosi Appeal;
- ~ Fundraising events including private recitals for Branch Appeals.

Agents

Musica Viva Australia employs professional staff to manage and co-ordinate its fundraising activities and as such does not engage commercial fundraising agents to secure donations.

Comparison by Monetary Figures and Percentages for the year ended 31 December 2019

Comparisons	\$	2019 %	2018 %
Total cost of fundraising / gross income from fundraising	59,811 / 3,475,741	2	6
Net surplus from fundraising / gross income from fundraising	3,415,930 / 3,475,741	98	94
Total cost of services / total expenditure	*		
Total cost of services / total income received	*		

* No disclosure is provided as all income received and expenditure incurred is in connection with the presentation of Musica Viva Australia activities.

Declaration by Chairperson as required by the Charitable Fundraising Act 1991 (NSW)

I, Charles Graham, Chairman of Musica Viva Australia, declare that in my opinion:

- (a) the accounts for the year ended 31 December 2019, give a true and fair view of all income and expenditure of Musica Viva Australia with respect to fundraising appeals; and
- (b) the statement of financial position as at 31 December 2019 gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under that Act and the conditions attached to the authority have been complied with; and the internal controls exercised by Musica Viva Australia are appropriate and effective for all income received and applied from any fundraising appeals.

Signed



Charles Graham
Chairman
2 April 2020

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

CASH FLOWS FROM OPERATING ACTIVITIES

	2019	2018
	\$	\$
Income from Operations	6,097,809	5,736,274
Government Grants	2,721,767	3,253,675
Investment Income	225,071	132,427
Sponsorship and Donations	3,208,363	3,351,323
Bequests	2,176,630	384,195
Other Income	7,350	32,599
Rent recoveries	289,754	220,628
Payments to suppliers, employees and performers	(12,335,206)	(13,131,605)
Net cash contributed/(used) by operating activities	<u>2,391,538</u>	<u>(20,484)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net proceeds from sale of property, plant and equipment	0	0
Payment for property, plant and equipment	(75,770)	(231,826)
Payment for investments	(2,157,552)	(1,054,517)
Net cash (used in) /contributed by investing activities	<u>(2,233,322)</u>	<u>(1,286,343)</u>
Net (decrease)/increase in cash held	158,216	(1,306,827)
Cash held at beginning of the financial year	2,334,992	3,641,819
Cash held at end of the financial year	<u>2,493,208</u>	<u>2,334,992</u>

Notes to the Statement of Cash Flows:

1 Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and short term deposits. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2019	2018
	\$	\$
Short Term Deposits	2,306,135	2,142,066
Cash at Bank and on hand	187,073	192,926
	<u>2,493,208</u>	<u>2,334,992</u>

2 Reconciliation of net cash contributed by Operating Activities to surplus from Operating Activities

Surplus from Operating Activities	1,915,903	362,754
Provisions for:		
Annual Leave	39,975	56,182
Long Service Leave	(68,726)	(154,662)
	<u>(28,751)</u>	<u>(98,480)</u>
Depreciation on Property, Plant and Equipment	341,615	334,772
Loss on disposal of Property, Plant and Equipment	42	1,362
Increase in Creditors	91,947	34,744
(Decrease) in Advances	(527,967)	(167,555)
Decrease/(Increase) in Receivables	429,930	(451,686)
Decrease/(Increase) in Prepayments	168,819	(36,395)
Net cash contributed/(used) by operating activities	<u>2,391,538</u>	<u>(20,484)</u>

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors, the Directors of Musica Viva Australia, declare that :-

- (a) The financial statements and the notes of Musica Viva Australia as at 31 December 2019 comply with the Accounting Standards and the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).
- (b) The financial statements and the notes give a true and fair view of Musica Viva Australia's financial position as at 31 December 2019 and its performance for the year ended on that date.
- (c) In the opinion of the Directors, there are reasonable grounds to believe that Musica Viva Australia will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-Profits Commission Regulation 2013.

For and on behalf of the Board



CHARLES GRAHAM
Chairman



ANDREW PAGE
Director

SYDNEY
2 April 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

Musica Viva Australia

Opinion

We have audited the financial report of Musica Viva Australia, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in members' fund's and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors declaration.

In our opinion, the financial report of Musica Viva Australia has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December, 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be misstated. If, based on the work we have performed, 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.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

Musica Viva Australia

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.


We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Regulatory Requirements

Furthmore, in our opinion:

- (a) the accounts show a true and fair view of the financial result of fundraising appeals for the year ended 31 December 2019; and
- (b) the accounts and associated records of the Company have been properly kept during that year in accordance with the New South Wales Charitable Fundraising Act 1991 and its Regulations; and
- (c) money received as a result of fundraising appeals conducted during the year ended 31 December 2019 has been properly accounted for and applied in accordance with such Act and its Regulations;
- (d) the company is solvent.


THOMAS DAVIS & CO.


J.G. RYAN PARTNER
Chartered Accountants
HONORARY AUDITORS

Sydney, 2 April 2020

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STATUTORY REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the Corporations Act 2001 and pursuant to a resolution of the Board, the Board of Musica Viva Australia reports as follows:

- 1 The names of the Board members in office during the whole of the financial year and up to the date of this report are:

For whole year:

Charles Graham
Katherine Grinberg
Andrew Page
Judy Potter
Margaret Seares
Darren Taylor

Resigned during year:

Thomas Breen (effective 1 June 2019)

Appointed during year:

Lynda O'Grady (from 1 June 2019)

- 2 The principal activities of Musica Viva Australia were concert presentation, music education and artist development. The operations of Musica Viva during the financial year and the results of those operations are reviewed in the accompanying Report. Musica Viva Australia's artist development activities includes management of the Melbourne International Chamber Music Competition, in strategic partnership with the Melbourne Recital Centre and the Australian National Academy of Music.

- 3 Musica Viva Australia's short term objectives are to:

- ~ be recognised as an ensemble music company that displays innovation, adventure and excellence;
- ~ demonstrate sector leadership and grow the profile of Australian arts and artists;
- ~ ensure more Australians have access to and engagement with the arts;
- ~ demonstrate sound financial and governance practices.

Musica Viva Australia's long term mission is to inspire all Australians with ensemble music of quality, diversity, challenge and joy.

- 4 To achieve these objectives, Musica Viva Australia has implemented the following strategies:
- i ensure consistent delivery of artistically vibrant programs throughout the company;
 - ii expand engagement with music and culture via digital platforms;
 - iii expand collaborations;
 - iv build financial reserves to enable bold planning for the future; and
 - v ensure the governance structure supports the company's purpose and programs.

- 5 Directors:

Thomas Breen B.A. (Sydney). Executive Chairman of Breen Group operating in property development, land rehabilitation and waste management. Formerly (1981-2006) Tom Breen was founder and Managing Director of Status Resources Australia, an advisory firm for the international development of industrial minerals. He has worked extensively in Australia, Asia, the US and Europe, and in the 1990s was a guest of the United Nations and speaker at the Economic Commission for Asia & the Pacific, in China. Tom was a member of the Council of the Employers Federation of NSW. He studied piano at the Sydney Conservatorium and has a life long interest in music. Director since 29 August 2013. Eligible Directors' meetings held and attended during the financial year - 3.

Charles Graham B.Eng. (Hons)(SYD), B.Com (SYD), M.Tech (Deakin), MBA (Harvard). Managing Director of Gresham Partners Limited. Prior to joining Gresham, Charlie was a Managing Director at Goldman Sachs in New York. Director of Gresham Partners Holdings Limited, President of The Harvard Club of Australia, Director of HCA Philanthropy Pty Limited until 31 December 2019 and Chair of YPO Sydney Chapter until 30 June 2019. Director since 14 October 2012. Directors' meetings held and attended during the financial year - 6.

Katherine Grinberg BCom. LLB. Lawyer. Prior to establishing her legal practice, Katherine was the in-house counsel for the Stockland Trust Group. Honorary solicitor to a number of non-profit organisations including Pinchgut Opera and Liszt Society. Former Board member, Rose Bay War Memorial Reserve Trust. Director since 1 January 2015. Directors' meetings held during the financial year - 6; attended - 4.

Lynda O'Grady BCom. (Hons). Non-Executive Director of Domino's Pizza Enterprises Ltd, Avant Mutual Ltd and Wagner Holdings Ltd. She is a member of the Advisory Board of Jamieson Coote Bonds and Council of Southern Cross University. Lynda held senior executive roles at Telstra, Australian Consolidated Press and Alcatel Australia. Lynda served as independent director of National Electronic Health Transition Authority and as the inaugural Chairman of the Aged Care Financing Authority. She has also served on the Council of Bond University Boards of Screen Queensland and TAB Queensland. Director since 1 June 2019. Eligible Directors' meetings held and attended during the financial year - 3.

Andrew Page B.Bus, B.Arts, M.Comm. Private Banker, Westpac Private Bank since 2017. Previous, Credit Suisse Private Bank since 2012 and Macquarie Bank from 2005. Member of the Institute of Chartered Accountants in Australia. Director since 1 January 2016. Directors' meetings held during the financial year - 6; attended - 5.

STATUTORY REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2019

Judy Potter Chair, Adelaide Festival, Adelaide Botanic Gardens and State Herbarium. Previous Board positions include Chair South Australian Film Corporation, Adelaide Fringe and Adelaide Central School of Art. She has also held various senior roles in the arts and not for profit organisations, including CEO, SA Great and the South Australian Youth Arts Board and Carclew Youth Arts Centre. Director since 1 January 2012. Directors' meetings held and attended during the financial year - 6.

Professor Margaret Seares AO MA PhD (UWA). Margaret Seares has an extensive background in the arts and education. She is a former Senior Deputy Vice Chancellor from The University of Western Australia, having previously been the Head of the School of Music in that institution. She is a former Chair of the Australia Council for the Arts, former CEO of the West Australian Department for Culture & the Arts, and former Chair of the Perth International Arts Festival. In 2013 she received the Gold Medal for outstanding company director from the Western Australian division of the Australian Institute of Company Directors. Director since 29 June 2016. Directors' meetings held and attended during the financial year - 6.

Darren Taylor BBus BA (Swinburne). Darren Taylor is Managing Director and Head of Strategy for Melbourne-based brand agency Taylor & Grace. Formerly of ArtWords, where he worked with the University of Melbourne, ARC Special Research Centres and important not-for-profit organisations such as Centacare, Kildonan and Mental Illness Fellowship Victoria before starting his own agency. An accomplished pianist and pipe organist who served on the board of Chamber Music Australia, having previously been a Musica Viva Victorian Committee member. Darren is a pro-bono adviser to the Indigenous Art Code and Koala Kids, and a mentor to young marketing professionals. Director since 6 June 2016. Directors' meetings held during the financial year - 6; attended - 5.

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2019 the collective liability of members was \$320.

7 Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and is included after this Director's Report.

Signed for and on behalf of the Board



CHARLES GRAHAM
Chairman



ANDREW PAGE
Director

Sydney
2 April 2020



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I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

THOMAS DAVIS & CO
Chartered Accountants
HONORARY AUDITORS

J.RYAN PARTNER

Sydney, 2 April 2020

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