

THE WAIKATO SOCIETY OF POTTERS INC FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



Annual Report

The Waikato Society of Potters Inc
For the year ended 31 March 2020

Prepared by PKF Hamilton Limited

Contents

3	Compilation Report
4	Entity Information
6	Approval of Financial Report
7	Statement of Service Performance
9	Statement of Financial Performance
10	Statement of Financial Position
11	Statement of Cash Flows
12	Statement of Accounting Policies
13	Notes to the Performance Report

Compilation Report

The Waikato Society of Potters Inc For the year ended 31 March 2020

Compilation Report to the Directors of Waikato Society of Potters.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Waikato Society of Potters for the year ended 31 March 2020.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The society is solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose for which the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Waikato Society of Potters other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

Director
PKF Hamilton Limited
1026 Victoria Street
Hamilton

Entity Information

The Waikato Society of Potters Inc For the year ended 31 March 2020

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Waikato Society of Potters

Entity Type and Legal Basis

Incorporated Society & Registered Charity

Registration Number

CC 52647

Entity's Purpose or Mission

Waikato Society of Potters aims to

- Promote and encourage education and involvement in pottery and the ceramic arts.
- To facilitate the uptake and practice of pottery and the ceramic arts by people of all ages and abilities in the wider community.
- To provide education at all levels on subjects connected with clay-work, as well as providing facilities and resources, holding classes, workshops and being involved in public events.
- To educate the public, promote interest in the art of ceramics.
- To support emerging potters by holding and facilitating exhibitions including by holding an annual Waikato Society of Potters exhibition within Hamilton.
- To advance ceramic education by sharing knowledge, resources and facilities with other organisations.

Entity Structure

The Waikato Society of Potters is a volunteer organisation led by an elected committee with managerial administration provided by an independent contractor. The elected committee comprises president, vice-president, secretary and treasurer.

Main Sources of Entity's Cash and Resources

Membership subscriptions, tuition fees and grants.

Main Methods Used by Entity to Raise Funds

Memberships, class fees and grants.

Entity's Reliance on Volunteers and Donated Goods or Services

There is a heavy reliance on volunteers for most aspects of operation of the society.

Additional Information

Reliant on premises provided by Hamilton City Council at community rental rates.

Physical Address

Studio 1, Ward Park Art Centre
2 Seddon Road
Hamilton, New Zealand

Postal Address

PO Box 9299
Waikato Mail Centre
HAMILTON 3240

Approval of Financial Report

The Waikato Society of Potters Inc For the year ended 31 March 2020

The elected committee is pleased to present the approved financial report including the historical financial statements of Waikato Society of Potters for year ended 31 March 2020.

APPROVED

President - Wendy Ball

Date

Treasurer - Sarah Lee

Date

Statement of Service Performance

The Waikato Society of Potters Inc For the year ended 31 March 2020

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

The mission is to promote and encourage education and involvement in pottery and the ceramic arts. Thus the outcomes can be divided into a few different categories like members, outreach units, educational units and Otago polytechnic students. The learning at local level is in the form of classes but the society also provides premises and tutors for Otago poly-tech for tertiary diploma in ceramic arts.

	2020	2019
Description and Quantification of the Entity's Outputs		
WSP financial members	304	232
Otago Polytechnic Satellite Students working towards a tertiary qualification in ceramics	7	10
Community Outreach Units, Open Day and Contribution to Local Exhibitions and Demonstrations	4,792	1,600
Educational Units	3,674	2,400

Description and Quantification of the Entity's Outputs

Stated below are further descriptions to entity's outcomes:-

- WSP financial members - paid memberships each year.
- Otago Polytechnic Students - Otago polytechnic satellite students doing a full year course of study.
- Educational Units - a single lesson provided to a single individual.
- Besides the above four there are also exhibitions which means a successful open day, contributions to local exhibitions, demonstrations. Our own regional exhibition, rotational involvement in national exhibit as well as high participation in clay art skills by the general community.

Additional Output Measures

Outreach sessions in Huntly have resulted in the Huntly Friendship House starting their own regular clay club.

Working with ten Hamilton/Waikato schools, firing hundreds of pieces for multiple classes.

One member with specific special needs has, with support, gone from being terrified to be in a room with strangers to enjoying a particular making technique to the point of making bowls so well that they are now sold through Arts Post Gallery, thus enabling her to earn some of her own money for the first time in her life.

An Artist in Residence was accepted into the Portage Ceramic Awards.

One member who was an Artist in Residence during the year was accepted into the Portage Ceramic Awards and also won the People's Choice Award at our annual members exhibition.

Another Artist in Residence was accepted into the WaiClay Art Award and also won the Premier Award at our annual members exhibition.

Diploma Students won the Presidents Award, Hamilton Pottery Tools Award and the WaiClay Award at our annual members exhibition.

Providing special classes and school holiday sessions for homeschooled children.

Working with Hamilton Kindergarten four sessions per year.

Working with local Scouts Groups four sessions per year.

Working with the YWCA & YMCA four sessions per year.

Working with Occupational Therapy groups.

Working with Pathways - bridging the gap for people with mental health needs.

Working with the IHC to provide a workshop for their clients and their buddies.

Working with at risk youth via Oranga Tamariki.

Working with Te Kura Kaupapa - to provide art experience in Maori & bilingual schools.

Working with High Performance NZ to provide Art therapy for High Performance athletes.

Working with the Prime Ministers Scholarship recipient to provide arts rehabilitation.

Working with Hamilton Bonsai Club (Not for Profit Organisation) to provide art therapy.

Facilitated several corporate team building and social events for various organisations.

Facilitated Mum's Day Out event for the Child Cancer Foundation.

Additional Information

- Waikato Society of Potters premises and equipment is also used by other community & educational groups from kindergarten to clubs. The significant contribution to Hamilton Community is recognised by Hamilton City Council by providing premise lease at community arts rates.
- Community Outreach such as 'Play with Clay' is attended by a high number of welfare dependent/ disabled, immigrant involvements and home school families of all ages by about 15 different nationalities including Maori, Pasifika, Russian, Chinese, Indian, Korean, Spanish and a variety of Europeans.

Statement of Financial Performance

The Waikato Society of Potters Inc
For the year ended 31 March 2020

'How was it funded?' and 'What did it cost?'

	NOTES	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	8,345	3,984
Revenue from providing goods or services	1	182,952	159,002
Interest, dividends and other investment revenue	1	1,420	2,476
Total Revenue		192,717	165,462
Expenses			
Volunteer and employee related costs	2	30,364	-
Costs related to providing goods or services	2	168,683	149,227
Other expenses	2	16,381	17,510
Total Expenses		215,428	166,737
Surplus/(Deficit) for the Year		(22,712)	(1,275)

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

The Waikato Society of Potters Inc
As at 31 March 2020

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Bank accounts and cash	3	40,538	14,551
Debtors and prepayments	3	1,314	-
Inventory	3	4,035	1,470
Total Current Assets		45,887	16,021
Non-Current Assets			
Property, Plant and Equipment	5	47,861	40,143
Investments	3	27,517	73,917
Total Non-Current Assets		75,377	114,060
Total Assets		121,265	130,082
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	2,671	878
Income in Advance		7,030	-
Total Current Liabilities		9,700	878
Total Liabilities		9,700	878
Total Assets less Total Liabilities (Net Assets)		111,564	129,203
Accumulated Funds			
Accumulated surpluses or (deficits)	6	111,564	129,203
Total Accumulated Funds		111,564	129,203

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

The Waikato Society of Potters Inc
For the year ended 31 March 2020

'How the entity has received and used cash'

	2020	2019
Statement of Cash Flows		
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	850	305
Fees, subscriptions and other receipts from members	162,136	150,712
Interest, dividends and other investment receipts	2,476	2,118
GST	(12,104)	(12,410)
Payments to suppliers and employees	(147,504)	(132,306)
Total Cash Flows from Operating Activities	5,853	8,419
Cashflow from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(9,287)	(10,673)
Payments to purchase investments	(2,438)	(2,067)
Total Cashflow from Investing and Financing Activities	(11,725)	(12,740)
Net Increase/Decrease in Cash	(5,872)	(4,321)
Cash and cash equivalents at the beginning of the period	20,423	24,744
Cash and cash equivalents at end of period	14,551	20,423
Net Change in Cash for Period	(5,872)	(4,321)

Statement of Accounting Policies

The Waikato Society of Potters Inc For the year ended 31 March 2020

'How did we do our accounting?'

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.

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

Waikato Society of Potters is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

The Waikato Society of Potters Inc For the year ended 31 March 2020

	2020	2019
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	1,470	850
Grants	6,875	3,134
Total Donations, fundraising and other similar revenue	8,345	3,984
Revenue from providing goods or services		
Classes Income - Otago Polytech	24,642	31,071
Classes Income - WSP	53,421	47,875
Clay Sales	33,065	25,731
Exhibitions - Sales	-	2,468
Fundraising	153	-
Glaze Materials - Sales	330	-
Kiln Hire - Firing	26,665	23,029
Open Day Sales	712	887
Pottery tool sales	758	-
Rent Received	-	3,009
Social Activities	-	373
Studio Use	17,408	10,287
Subscriptions - Membership	12,001	10,104
Sundry Income	-	530
Workshop	13,795	3,639
Total Revenue from providing goods or services	182,952	159,002
Interest, dividends and other investment revenue		
Interest Received	1,420	2,476
Total Interest, dividends and other investment revenue	1,420	2,476
	2020	2019

2. Analysis of Expenses

Volunteer and employee related costs

Wages	30,364	-
Total Volunteer and employee related costs	30,364	-

Costs related to providing goods or services

Admin Assistant	1,100	-
General Housekeeping	1,761	-
General Studio Equipment	2,538	-
Kiln Tech Assistant	490	-
Treasurer Invoices	1,000	-
Advertising	1,360	2,045
Classes Costs - Otago Polytech	6,959	8,518
Classes Costs - WSP	45,691	26,954

	2020	2019
Cleaning	2,860	4,599
Opening Stock	1,470	1,470
Closing Stock	(4,035)	(1,470)
Costs of Clay	34,141	23,743
Electricity - Studio	1,848	1,673
Exhibition - Member Payouts	-	3,305
Exhibition Costs	1,546	966
Gas - Klins & Studio Heating	9,767	8,132
General Class Catering	782	954
Kiln Technician	24,049	19,454
Manager Invoices	15,207	30,242
Open Day Expense	139	-
Purchases	5,462	3,608
Rent	2,099	2,099
Repairs & Maintenance - Klins & Studio	5,293	5,743
Social Activities	625	694
Workshop Expenses	6,530	6,497
Total Costs related to providing goods or services	168,683	149,227
Other expenses		
Bank Fees	45	797
Depreciation	5,269	3,815
General Expenses	147	1,353
Insurance	2,516	2,368
Loss on Sales of Fixed Assets	460	1,735
Printing & Stationery	1,238	1,244
Professional Fees	2,234	2,770
Sponsorship	750	-
Subscriptions, Licenses & Fees	2,072	2,077
Telephone & Internet	1,307	1,351
Web Management & Marketing	343	-
Total Other expenses	16,381	17,510
	2020	2019

3. Analysis of Assets

Bank accounts and cash

Westpac Cheque Account	40,173	14,489
Westpac - 001 Debit Card	365	62
Total Bank accounts and cash	40,538	14,551

Debtors and prepayments

Accounts Receivable	1,314	-
Total Debtors and prepayments	1,314	-

	2020	2019
Inventory		
Stock on Hand	4,035	1,470
Total Inventory	4,035	1,470
Investments		
Westpac Term Deposit - 0003	-	19,453
Westpac Term Deposit - 0005	15,024	14,631
Westpac Term Deposit - 0006	-	27,623
Westpac Term Deposit - 0010	12,493	12,212
Total Investments	27,517	73,917
	2020	2019

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	1,347	589
GST	1,324	289
Total Creditors and accrued expenses	2,671	878
	2020	2019

5. Property, Plant and Equipment

Pottery Equipment		
Opening Carrying Amount	40,143	36,406
Purchases	14,300	9,722
Sales/ Disposals	(1,313)	(2,170)
Current Year Depreciation	(5,269)	(3,815)
Total Pottery Equipment	47,861	40,143
Total Property, Plant and Equipment	47,861	40,143

Significant Donated Assets Recorded

Six years ago there was a generous donation of pottery wheels.

A significant donation of \$10,000 was received in June 2016 and was used for purchasing equipment.

	2020	2019
6. Accumulated Funds		
Accumulated Funds		
Opening Balance	129,029	130,304
Accumulated surpluses or (deficits)	(22,712)	(1,275)
Total Accumulated Funds	106,317	129,029
Total Accumulated Funds	106,317	129,029

7. Commitments

There are no commitments as at 31 March 2020 (Last year - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2020 (Last year - nil).

9. Events After the Balance Date

The global pandemic events of COVID-19 have occurred just before the balance date that would have a material impact on the Performance Report (Last year-nil).

10. Ability to Continue Operating

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. The continued spread of COVID-19 and uncertain market conditions may limit the Company's ability to access capital.

Chartered Accountants and Business Advisers

PKF HAMILTON

1026 VICTORIA STREET
PO BOX 187
WAIKATO MAIL CENTRE
HAMILTON 3240

T: 07 839 2106

www.pkfh.co.nz

Proudly part of the **PKF** global family

PKF Hamilton Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.