

THE WAIKATO SOCIETY OF POTTERS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



Annual Report

The Waikato Society of Potters Inc
For the year ended 31 March 2021

Prepared by PKF Hamilton Limited

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Compilation Report

The Waikato Society of Potters Inc For the year ended 31 March 2021

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 2021.

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 2021

'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

CC52647

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 a paid employee who is also employed as a managerial assistant. 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 2021

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 2021.

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 2021

'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.

	2021	2020
Description and Quantification of the Entity's Outputs		
WSP financial members	402	304
Otago Polytechnic Satellite Students working towards a tertiary qualification in ceramics	7	7
Community Outreach Units, Open Day and Contribution to Local Exhibitions and Demonstrations	3,594	4,792
Educational Units	4,519	3,674

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 working towards a tertiary qualification in ceramics
- Educational Units - a single lesson provided to a single individual.
- Besides the above Community Outreach Units we also contribute to local exhibitions and demonstrations including holding an online virtual exhibition on FaceBook during lockdown. We hold our own regional exhibition, rotational involvement in national exhibitions as well as high levels of participation in clay/ceramic art skills by the general community

Due to the effects of Covid our traditional Community Outreach programmes have been reduced this year. We have not been able to facilitate or have had reduced interest from Community Groups in sharing our space. However we have had a significantly greater interest from the community in general in our classes, workshops and Play with Clay sessions.

We have responded by offering more classes in mini-terms to cater for this burgeoning interest in the exploration of clay arts. We have also initiated a professional development programme to foster more potters/ceramic artists into teaching roles and making a career through their work.

We were unable to hold our traditional Open Day due to the Covid Lockdown however we instead held a very successful 3 day Clay Festival over Waitangi weekend attended by 43 potters from all over the North Island.

We have opened a second stream for students to attend the practical Diploma training modules. This is a more affordable option to suit people interested in gaining technical skill but not interested in achieving a formal qualification.

Additional Output Measures

- Working with Hamilton/Waikato Schools, firing hundreds of pieces for multiple classes
- Providing special classes and school holiday sessions for homeschool children
- Working with at risk youth via Oranga Tamariki
- Working with Te Aho o Te Kura Pounamu
- Working with Te Kura Kaupapa - providing art experience in Maori & bilingual schools
- Facilitated corporate team building and social events for various organisations

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 2021

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

	NOTES	2021	2020
Revenue			
Donations, fundraising and other similar revenue	1	10,514	8,498
Revenue from providing goods or services	1	204,918	165,390
Interest, dividends and other investment revenue	1	499	1,420
Other revenue	1	26,481	17,408
Total Revenue		242,412	192,717
Expenses			
Volunteer and employee related costs	2	46,221	30,364
Costs related to providing goods or services	2	119,799	147,917
Other expenses	2	22,760	37,147
Total Expenses		188,780	215,428
Surplus/(Deficit) for the Year		53,633	(22,712)

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 2021

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

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Bank accounts and cash	3	98,644	40,538
Debtors and prepayments	3	742	1,314
Inventory	3	5,974	4,035
Total Current Assets		105,360	45,887
Non-Current Assets			
Property, Plant and Equipment	4	42,659	47,861
Investments	3	27,981	27,517
Total Non-Current Assets		70,640	75,377
Total Assets		176,000	121,265
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	10,803	2,671
Income in Advance	5	-	7,030
Total Current Liabilities		10,803	9,700
Total Liabilities		10,803	9,700
Total Assets less Total Liabilities (Net Assets)		165,197	111,564
Accumulated Funds			
Accumulated surpluses or (deficits)	6	165,197	111,564
Total Accumulated Funds		165,197	111,564

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 2021

'How the entity has received and used cash'

	2021	2020
Statement of Cash Flows		
Cash Flows from Operating Activities		
Cash was received from		
Donations, fundraising and other similar receipts	10,514	8,345
Receipts from providing goods and services	205,376	192,601
Interest, dividends and other investment receipts	35	22
Fees, subscriptions and other receipts from members	19,424	-
GST	1,373	-
Total Cash was received from	236,722	200,968
Cash was applied to		
Payments to suppliers and employees	(178,812)	(213,263)
GST	-	(869)
Total Cash was applied to	(178,812)	(214,132)
Total Cash Flows from Operating Activities	57,910	(13,164)
Cashflow from Investing and Financing Activities		
Cash was received from		
Receipt from the sale of property, plant and equipment	196	-
Receipt from maturity of term deposits	-	47,799
Total Cash was received from	196	47,799
Cash was applied to		
Payments to acquire property, plant and equipment	-	(8,648)
Total Cash was applied to	-	(8,648)
Total Cashflow from Investing and Financing Activities	196	39,151
Net Increase/Decrease in Cash	58,106	25,987
Cash and cash equivalents at the beginning of the period	40,538	14,551
Cash and cash equivalents at end of period	98,644	40,538
Net Change in Cash for Period	58,106	25,987

Statement of Accounting Policies

The Waikato Society of Potters Inc For the year ended 31 March 2021

'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 2021

	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	984	1,470
Fundraising	30	153
Grants	9,500	6,875
Total Donations, fundraising and other similar revenue	10,514	8,498
Revenue from providing goods or services		
Classes Income - Diploma Visiting Students	6,087	-
Classes Income - Otago Polytech	19,519	24,642
Classes Income - WSP	66,634	53,421
Clay Sales	37,329	33,065
Equipment Hire	17	-
Exhibitions - Sales	2,366	-
Gift Voucher	293	-
Glaze Materials - Sales	193	330
Kiln Hire - Firing	29,793	26,665
Open Day Sales	-	712
Pottery Tool Sales	435	758
Special Events & Conference Income	13,067	-
Subscriptions - Membership	16,012	12,001
Workshops	12,389	10,454
Workshops - Schools & Community Organisations	583	869
Workshops - Corporate Event or Private Booking	201	2,472
Total Revenue from providing goods or services	204,918	165,390
Interest, dividends and other investment revenue		
Interest Received	499	1,420
Total Interest, dividends and other investment revenue	499	1,420
Other revenue		
Depreciation Recovered	66	-
Studio Use	14,699	17,408
Wage Subsidy Received	11,716	-
Total Other revenue	26,481	17,408
Total Income	242,412	192,717

2021 2020

2. Analysis of Expenses

Volunteer and employee related costs

Wages	46,221	30,364
Total Volunteer and employee related costs	46,221	30,364

Costs related to providing goods or services

Opening Stock	4,035	1,470
Class Catering	388	782
Classes Costs - Otago Polytech	7,544	6,959
Classes Costs - WSP	24,543	45,691
Cleaning	3,620	2,860
Costs of Clay	36,826	34,141
Diploma Coordinator	1,922	-
Electricity - Kilns & Studio	8,174	1,848
Exhibition - Member Payouts	2,366	-
Exhibition Costs	761	1,546
Gas - Kilns & Studio Heating	2,246	9,767
Housekeeping	2,164	1,761
Kiln Tech Assistant	679	490
Kiln Technician	4,673	24,049
Open Day Expense	-	139
Pottery Tools Purchase	106	-
Purchases	3,985	5,462
Repairs & Maintenance - Kilns & Studio	8,519	5,293
Social Activities	303	625
Special Event & Conference Expenses	6,285	-
Studio Equipment	2,915	2,538
Workshop Expenses	3,721	6,530
Closing Stock	(5,974)	(4,035)
Total Costs related to providing goods or services	119,799	147,917

Other expenses

ACC Levies	130	(61)
Administration Assistant	575	1,100
Administration Fees	210	-
Advertising	693	1,421
Bank Fees	5	45
Computer Expense	700	-
Depreciation	5,073	5,269
General Expenses	595	147
Insurance	2,580	2,516
Loss on Sales of Fixed Assets	-	460
Manager Invoices	-	15,207
Printing & Stationery	702	1,238
Professional Fees	2,794	2,234

Rent	2,160	2,099
Sponsorship	-	750
Stripe Fees	924	-
Subscriptions, Licenses & Fees	1,614	2,072
Telephone & Internet	1,565	1,307
Treasurer Invoices	2,000	1,000
Web Management & Marketing	440	343
Total Other expenses	22,760	37,147
Total Expenses	188,780	215,428
	2021	2020

3. Analysis of Assets

Current Assets

Bank accounts and cash

Westpac Cheque Account	98,053	40,173
Westpac - 001 Debit Card	591	365
Total Bank accounts and cash	98,644	40,538

Debtors and prepayments

Accounts Receivable	742	1,314
Total Debtors and prepayments	742	1,314

Inventory

Stock on Hand	5,974	4,035
Total Inventory	5,974	4,035

Non-Current Assets

Investments

Westpac Term Deposit - 0005	15,236	15,024
Westpac Term Deposit - 0010	12,746	12,493
Total Investments	27,981	27,517

2021 2020

4. Property, Plant and Equipment

Pottery Equipment

Opening Carrying Amount	47,861	40,143
Purchases	-	14,300
Sales/ Disposals	(129)	(1,313)
Current Year Depreciation	(5,073)	(5,269)
Total Pottery Equipment	42,659	47,861
Total Property, Plant and Equipment	42,659	47,861

2021 2020

5. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	8,294	1,347
GST	2,509	1,324
Total Creditors and accrued expenses	10,803	2,671

Income Received in Advance

Wage Subsidy Received	-	7,030
Total Income Received in Advance	-	7,030

Significant Donated Assets Recorded

Seven 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.

2021 2020

6. Accumulated Funds

Accumulated Funds

Opening Balance	111,564	129,203
Capital Gain on Sale of Fixed Assets	-	5,073
Accumulated surpluses or (deficits)	53,633	(22,712)
Total Accumulated Funds	165,197	111,564
Total Accumulated Funds	165,197	111,564

7. Commitments

There are no commitments as at 31 March 2021 (Last Year: Nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2021 (Last Year: Nil).

9. Events After the Balance Date

There were no events that have occurred after 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 Society to continue as a going concern is dependent on the Society obtaining adequate capital to fund operating losses until it becomes profitable. The continued spread of COVID-19 and uncertain market conditions may limit the Society's ability to access capital.

Chartered Accountants and Business Advisers

PKF HAMILTON

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