



Financial Report & Commentary

1 April 2023 to 31 March 2024

Mangawhai Artists Inc incurred a **loss of \$13,431** for the year ended 31 March 2024, compared to a loss of \$10,452 in 2023, a slightly worse result by **\$2,978**.

The loss of \$13,431 occurred **after charging annual depreciation of \$22,199**. The majority of depreciation (\$19,913) is on the Workspace extension. As reported in previous years, the Workspace extension cost of \$172,648 is being depreciated equally over the remaining initial term of the Gallery lease (of 8.67 years through to July 2029), rather than the potential term of 18.67 years (including two extensions of 5 years each to July 2039). **This means we are bearing a higher depreciation cost than if it had been calculated over the longer term (\$19,913 compared to \$9,247)**. Before depreciation, the Society generated a **cash surplus of \$8,768** compared to a cash surplus of \$11,829 in 2023.

Income for 2024 was \$32,752 compared to \$29,870 in 2023. The increase in income of \$2,882 is explained as follows:

Income description	Variance
Commission was lower in 2024 as opportunities to earn commission were reduced with no Kaipara Art Awards and no commission on 3D exhibition as it became a members' exhibition	(1,411)
Entry fees were higher partially attributed to the Workshop Fortnight held in 2024	6,217
Gallery and Workspace hire was higher due to increased activity in 2024.	1,889
Grants income was lower due to no grants in 2024 for items such Give it a Go and heat pump in 2023.	(5,781)
Membership incomes were higher due to an increase in members in 2024.	2,019
Subtotal of major income variances	2,933
Other income items	(51)
Total Favourable Variance (increased income)	2,882

Expenditure was \$46,182 compared to \$40,322. The increase in expenditure of \$5,860 is explained as follows:

Expense description	Variance
Workshop and Class Expenses – higher due to Workshop Fortnight expenses being higher than previous year's costs for Give it A Go workshops	2,882
Hospitality – higher reflecting catering for members' exhibitions	863
Insurance – higher due to inflation	708
Repairs and Maintenance – increased costs due to waterblast/paint/oak tree trim	794
Training – increased cost of committee strategy session	663
Subtotal	5,910
Other expense items	-50
Total Unfavourable Variance (increased expenditure)	5,860
Net unfavourable variance (increased loss)	2,978

The last three years (2022, 2023 and 2024) have been relatively consistent in terms of both revenue and expenditure. Note: The net operating losses (after depreciation) in 2022, 2023 and 2024 (representing 'business as usual' since the Workspace extension project) have been relatively consistent at 13,431, 10,452 and 11,472 – averaging \$11,785 over three years).

Balance Sheet

At the end of the financial year the Society had Net Assets (or Equity) of \$148,981 compared to \$162,412 in 2023. The reduction of \$13,431 reflects the loss incurred in the year (split between cash surplus of \$8,768 and depreciation of \$22,199). Net Assets (Equity) are split between Net Working Capital (Cash and net liquid assets) and Fixed Assets. Net Working Capital of \$34,620 increased by the cash surplus before depreciation of \$8,768 (from \$25,852), while fixed assets of \$114,361 reduced by the depreciation charged of \$22,199 (from \$136,560).

Additional balance sheet comment:

While the bank balance is self-explanatory, other balance sheet items may need clarification:

- **Prepayments** includes prepaid insurance and rental.
- **Artist Sales Clearing Account** reflects sales for the exhibition held at the end of March. Artists sales are paid at the end of each exhibition.
- **Bookings in advance** reflect deposits paid for exhibitions booked for periods after 31/3/24.
- The **Lynn Middleton Estate Education fund** was established to assist or support artists to explore or develop their artistic creativity. Disbursements are generally limited to \$200. No applications to the fund were received in the last year.
- **Subs in Advance** reflect subscriptions paid in the last three months of the year allocated to the 2024/2025 year.

Sandra Hollis
64 Cheviot Street
Mangawhai Heads

Accountant's Review of Mangawhai Artists Incorporated

I have reviewed the financial statements of the Mangawhai Artists Incorporated for the year ended 31st March 2024. The scope and nature of this review took into consideration the size and nature of the organisation and the transactions during the period under review.

The review was limited to an analytical review of the accounts and inquiry. The review provides less assurance than an audit and accordingly I do not express an audit opinion .

Based on my review the financial statements give a true and fair view of the financial activities of the Mangawhai Artists Incorporated.



Sandra Hollis

B Com, ACA (Retired)

Date.....10/6/24

Profit and Loss

Mangawhai Artists Inc

For the year ended 31 March 2024

	2024	2023	VARIANCE
Trading Income			
A Sales	9	185	(176) ↓
Commission Received	110	1,521	(1,411) ↓
Donations received	1,555	2,420	(865) ↓
Entry fees	8,220	2,004	6,217 ↑
Gallery/Workspace Hire	7,864	5,976	1,889 ↑
Grants Income	569	6,350	(5,781) ↓
Interest Income	894	243	651 ↑
Membership Subscriptions	12,110	10,091	2,019 ↑
MSF Recovery	1,135	674	461 ↑
Other Revenue	285	407	(122) ↓
Total Trading Income	32,752	29,870	2,882
Gross Profit			
	32,752	29,870	2,882
Operating Expenses			
Accounting Software	770	662	108 ↑
Advertising	1,293	1,520	(227) ↓
Bank Fees	-	20	(20) ↓
Cleaning	1,060	1,206	(146) ↓
Depreciation	22,199	22,281	(82) ↓
EFTPOS	744	773	(29) ↓
EFTPOS - MSF Charges	628	427	201 ↑
Gallery / Workspace Expenses	219	48	171 ↑
General Expenses	69	39	30 ↑
Hospitality	1,974	1,110	863 ↑
Insurance	3,856	3,149	708 ↑
Light, Power, Heating	1,947	1,947	0 ↓
Printing & Photocopying	203	133	70 ↑
Rent	700	700	- =
Repairs and Maintenance	852	58	794 ↑
Subscriptions	142	171	(30) ↓

Profit and Loss

	2024	2023	VARIANCE
Training	863	200	663 ↑
Venue Hire	101	81	20 ↑
Website	553	668	(115) ↓
Workshop and Class Expenses	8,011	5,129	2,882 ↑
Total Operating Expenses	46,182	40,322	5,860
Net Profit	(13,431)	(10,452)	(2,978)

Depreciation Schedule

Mangawhai Artists Inc

For the year ended 31 March 2024

NAME	ASSET NUMBER	ASSET TYPE	COST	RATE	PURCHASED	DISPOSED	OPENING VALUE	PURCHASES	DEPRECIATION	DISPOSALS	CLOSING ACCUM DEP	CLOSING VALUE
Building Improvements												
Extension of Galley for Workspace	FA-0025	Building Improvements	172,648	20.00%	20 Nov 2020		124,525	-	19,913	-	68,037	104,611
Workspace storage room	FA-0031	Building Improvements	4,849		1 Apr 2021		3,636	-	606	-	1,818	3,030
Total Building Improvements			177,497				128,161	-	20,519	-	69,855	107,642
Furniture and Fittings												
Purchase and Installation of Heat Pump in Workspace	FA-0034	Workspace equipment & Furniture	2,703	20.00%	14 Oct 2022		2,432	-	486	-	757	1,946
30 Chairs for Workspace	FA-0010	Workspace equipment & Furniture	2,329	20.00%	27 Nov 2020		1,366	-	273	-	1,236	1,093
4 x Art Trail Signs with new Logo etc	FA-0026	Gallery Equipment	779	20.00%	30 Jan 2021		473	-	95	-	400	379
Art Trail signage	FA-0006	Gallery Equipment	2,162	20.00%	13 Apr 2018		709	-	142	-	1,595	567
Display Cabinet	FA-0014	Gallery Equipment	400	20.00%	20 Apr 2017		67	-	13	-	346	54
Gallery light upgrade	FA-0005	Gallery Equipment	616	20.00%	9 Mar 2017		156	-	31	-	491	125
Music Player	FA-0018	Gallery Equipment	130	20.00%	20 Apr 2017		22	-	4	-	113	17
New Cart for Gallery	FA-0029	Gallery Equipment	440	20.00%	14 Nov 2021		323	-	65	-	182	258
New Chair Trolley	FA-0030	Workspace equipment & Furniture	98	20.00%	26 Nov 2021		72	-	14	-	40	57
Reception Desk	FA-0015	Gallery Equipment	150	20.00%	20 Apr 2017		26	-	5	-	130	20
Reimbursement for storage Cabinet from Bunnings	FA-0028	Gallery Equipment	209	20.00%	12 Aug 2021		145	-	29	-	93	116
Router Hot Spot	FA-0004	Gallery Equipment	99	20.00%	28 Sept 2016		23	-	5	-	81	18
Sign Board	FA-0002	Gallery Equipment	600	20.00%	21 Apr 2015		41	-	8	-	567	33
spotlights & Track	FA-0016	Gallery Equipment	2,000	20.00%	20 Apr 2017		335	-	67	-	1,732	268
Step Ladder	FA-0023	Gallery Equipment	69	20.00%	20 Apr 2017		11	-	2	-	60	9
Tools	FA-0021	Gallery Equipment	386	20.00%	20 Apr 2017		65	-	13	-	334	52
Trestle Tables	FA-0003	Gallery Equipment	352	20.00%	21 Jun 2016		75	-	15	-	292	60
Trestle Tables	FA-0020	Gallery Equipment	40	20.00%	20 Apr 2017		7	-	1	-	34	6
Trolley	FA-0007	Gallery Equipment	99	20.00%	20 Dec 2018		38	-	8	-	69	30
upgrade of Gallery lighting	FA-0032	Gallery Equipment	2,811	20.00%	1 Apr 2021		1,799	-	360	-	1,372	1,439
Workspace Tables	FA-0009	Workspace equipment & Furniture	372	20.00%	21 Oct 2020		215	-	43	-	201	172
Total Furniture and Fittings			16,843				8,399	-	1,680	-	10,124	6,719
Total			194,340				136,560	-	22,199	-	79,979	114,361

Balance Sheet

Mangawhai Artists Inc

As at 31 March 2024

31 MAR 2024

31 MAR 2023

Assets

Bank

Business Saver	34,896	29,002
Petty Cash	-	100
Society Cheque	12,623	4,764
Total Bank	47,519	33,866

Current Assets

Accounts Receivable	150	(250)
Petty Cash Gallery	-	(100)
Prepayments	1,711	1,641
Total Current Assets	1,861	1,291

Fixed Assets

Building Improvements	177,497	177,497
Furniture and Fittings	16,843	16,843
Less Accum'd Depreciation on Furniture and Fittings	(10,124)	(8,444)
Less Accumulated Depreciation on Building Improvements	(69,855)	(49,336)
Total Fixed Assets	114,361	136,560

Total Assets 163,741 171,716

Liabilities

Current Liabilities

Accounts Payable	560	1,478
Artist Sales Clearing Account	3,930	800
Bookings in Advance	4,105	-
Lynn Middleton Estate - Education Account	5,410	5,410
Subs in Advance	755	810
Grants in Advance	-	807
Total Current Liabilities	14,760	9,305

Total Liabilities 14,760 9,305

Net Assets 148,981 162,412

Equity

Current Year Earnings	(13,431)	(10,452)
Retained Earnings	162,412	172,864
Total Equity	148,981	162,412