

FLINDERS QUARTET INC.

FINANCIAL REPORT

2 September 2020

PURPOSE:

To provide the Board an update on the 2020 financial forecast, including the impact resulting from COVID-19 on Flinders Quartet Inc.

SUMMARY:

1. The updated 2020 Forecast presents a net surplus of \$103,987 including all known impacts of COVID-19. This is a \$14,821 improvement from the previous financial report, resulting from COVID-19 relief measure extensions (Victorian Business Support Fund and ATO's cash flow boost).
2. JobKeeper benefit to 27 September 2020 is reflected in the forecast with a conservative \$40,000 positive impact. Based on current revenue it is unlikely that FQ will qualify for the October-December 2020 JobKeeper extension, so no additional revenue is incorporated into the 2020 forecast. However we will still assess the turnover once the September quarter closes and will apply for the extension if we can prove the required decline in turnover.
3. Philanthropy target amount for the remainder of 2020 is \$9,000; comprising an anticipated \$7,500 donation from Harold Mitchell (donated anonymously), and a further \$1,500 target.
4. Despite the unlikelihood of any October concerts proceeding, the MRC, Bendigo and Elgee Park concerts have not yet been cancelled by the venues. Income and expenditure for those concerts remain in the forecast. If (when) they are cancelled, it will have a net negative impact on the forecast of \$4,666.
5. While cashflow is currently extremely positive and meets requirements in the short term further work is required to ensure going concern assessments will be met at year end and into 2021.

ADDITIONAL INFORMATION:

6. Philanthropy amounts as outlined in the table below. Private donations received to date are \$88,799 (\$13,860 greater than the July report).

Confirmed Trusts and Foundations amounts include; Robert Salzer Foundation \$5,000, Cybec \$20,000, Playking \$40,000, Helen Macpherson Smith Trust \$25,000 and Besen Family Foundation \$10,000. Where possible new grants are being used to support existing planned activity however Playking and HMST grants have resulted in increased expenditure which is included in the Forecast.

Philanthropy:	
Private Donations - Received	88,799
Trusts & Foundations - Confirmed	100,000
TARGET	9,000
	197,799

7. Government funding amounts outlined in the table below. Discussion with funders has confirmed that digital/online activity will satisfy all performance criteria of grants and suitable activity is scheduled.

Government Funding:	
Australia Council - received	20,000
Creative Victoria - received	21,000
City of Melbourne - received	12,000
Creative Partnerships - received	25,000
Creative Victoria/Touring Vic - received	10,000
	88,000

8. COVID-19 support amounts outlined in the table below. The \$17,236 AusCo Resilience Fund and \$10,000 Creative Victoria amounts will support FQ's transition to digital platforms. FQ's JobKeeper benefit to 27 September 2020 has been confirmed; the financial benefit is estimated at approximately \$40,000 which has now been included in the forecast.

COVID-19 Stimulus:	
ATO PAYG credit - confirmed	26,631
State Business Support Fund - received	20,000
AusCo Resilience Fund - received	5,000
AusCo Resilience Fund - received	17,236
City of Melbourne - received	4,000
Creative Victoria - received	10,000
JobKeepers allowance (conservative net impact)	40,000
	122,867

9. The 2021 Budget is under development. The budget is including declines in key revenue assumptions of concert revenue and philanthropy resulting in a preliminary deficit position. While surplus cash reserves from current year will be available to fund a deficit, further consideration is required as to opportunities to reduce the deficit.

ATTACHMENT – FINANCIAL SUMMARY

FLINDERS QUARTET			
Financial Summary			
	2020 FORECAST	2020 BUDGET	Var \$
Income			
Concerts Revenue	43,241	76,500	-33,259
Government Funding	88,000	78,000	10,000
Government COVID-19 Stimulus	122,867		122,867
Philanthropy	197,799	190,000	7,799
Recording	500	5,500	-5,000
Other	0	0	0
Total Revenue	452,407	350,000	102,407
Expenditure			
Salaries	244,077	240,875	3,202
Event costs	36,231	40,565	-4,334
Development	31,219	11,400	19,819
Recording	3,000	4,000	-1,000
Marketing	17,520	29,000	-11,480
Travel	8,377	12,920	-4,543
Administration and other	7,997	9,364	-1,367
Total Expenditure	348,421	348,124	297
NET PROFIT / (LOSS)	103,987	1,876	102,110