

FLINDERS QUARTET INC.
FINANCIAL REPORT
16 March 2021

PURPOSE:

To provide the Board with an update of the 2021 Forecast at the 16 March 2021 Board meeting, as well as provisional 2020 year-end figures.

2021 FORECAST

1. The 2021 Forecast (refer to Attachment 1) presents a net deficit of -\$11, which is a \$1,715 improvement compared to the Budget approved at the 9 December 2020 board meeting.
2. Concert revenue has reduced by \$2,000 due to the cancellation of a concert after the presenter failed to secure funding. No expenditure was saved due to the cancellation.
3. Government Funding has reduced by \$34,500 due to first round applications to Creative Victoria and Australia Council being unsuccessful. Feedback from both bodies was that our applications were very highly regarded but that the scope and budget was too large. Their recommendations were to resubmit with smaller projects. In late February and early March, we are re-submitting applications to Creative Victoria for \$19,500 and Australia Council for \$21,000.
4. Government COVID-19 Stimulus has been included due to qualification for JobKeeper "Extension 2" (January to March 2021) of \$15,600.
5. Total Philanthropy amount of \$203,000 remains unchanged from Budget with \$109,200 yet to be secured/confirmed. Philanthropy amounts as outlined in the table below:

Philanthropy:	2021 forecast	2021 budget
Private Donations - confirmed	5,300	5,000
Private Donations - pledged	21,000	
Private Donations - unconfirmed	91,700	113,000
Trusts & Foundations - confirmed	67,500	36,500
Trusts & Foundations - unconfirmed	17,500	48,500
	203,000	203,000

Private donations total target of \$118,000 is made up of:

- \$85,000 from regular annual 'renewable' donations (\$1,300 received to date), plus
- \$33,000 identified targets regarding new work commissions; \$25,000 of this is currently pledged or confirmed and conversations are in progress with the other identified potential donors

Trusts and Foundations target of \$85,000 and includes confirmed amounts of \$67,500 being:

- Robert Salzer Foundation \$6,500
- Cybec Foundation \$20,000
- Victorian Womens' Trust / Prue Myer Fund \$10,000
- Betty Amsden Foundation \$20,000
- Canny Quine Foundation (Linda Herd) \$6,000
- Lyngala Foundation (Anthony and Karen Adair) \$5,000

6. To offset reduction in revenues, a cost review has been undertaken. The following reductions have been applied:
- a. Reduction in FQ musicians' salaries (-\$3,027) for 'extra' audience engagement and outreach work, to be incorporated into the 0.31FTE salary.
 - b. Event costs have been reduced by \$12,950 due to
 - \$7,100 being cut from 'unknown expenses for new projects' buffer (\$2,900 remains in the budget)
 - \$4,000 less to be spent on commission and arrangements fees (reduction in scope of those projects/commissions)
 - reducing quality and quantity of printed concert programs
 - production costs tightened (hiring equipment and self-managing sound production from stage, instead of engaging audio engineer)
 - Melbourne rehearsal venue not needed due to Adelaide Festival changes/quarantine
 - c. Development costs have been reduced through incorporating high level donor meetings/catch ups into salary and reducing plans/scope for 2022 season launch activities in October 2021.
 - d. Tightening of planned expenditure on equipment purchase, office supplies and postage, advertising, recording and travel. Equipment and public liability insurance actual expenditure is less than budgeted.

Should additional revenue be secured, some of this expenditure reduction will be reconsidered and possibly increased.

7. Not included in the Forecast is an anticipated \$30,000 from Playking Foundation; the second grant they have proposed to give Flinders Quartet. The funding is for development of new performance works, new performance making and/or creative commissions, so while the majority of the \$30,000 has to be allocated to new and previously unplanned activity in 2021 and 2022 (not included in the current forecast) we have managed to allocate \$4,500 of the funds to help our 2021 forecast bottom line. We currently await the outcome of our proposal to Playking for how FQ will use the funds.

2020 ACTUALS - DRAFT

8. The estimated 2020 year-end figures present a net surplus of \$161,664 (refer to Attachment 2). This represents a \$22,627 improvement on the 2020 forecast presented at the 9 December 2020 board meeting. These figures do not yet include year-end adjustments and are pending external review. The financials will be sent to the accountants for finalisation in the coming weeks.

ATTACHMENT 1 - FINANCIAL SUMMARY 2021

FLINDERS QUARTET				
Financial Summary				
	2021 FORECAST	2021 BUDGET	Var \$	2020 EOFY DRAFT
Income				
Concerts Revenue	60,500	62,500	-2,000	39,661
Government Funding	55,500	90,000	-34,500	88,000
Government COVID-19 Stimulus	15,600	0	15,600	179,744
Philanthropy	203,000	203,000	0	211,025
Recording	4,500	4,500	0	715
Other	0	0	0	0
Total Revenue	339,100	360,000	-20,900	519,145
Expenditure				
Salaries	230,629	233,656	-3,027	269,065
Event costs	58,034	70,984	-12,950	40,225
Development	5,064	7,208	-2,144	16,088
Recording	2,000	3,000	-1,000	3,150
Marketing	24,856	26,070	-1,215	14,170
Travel	10,740	11,320	-580	4,937
Administration and other	7,789	9,488	-1,699	9,846
Total Expenditure	339,111	361,726	-22,615	357,481
NET SURPLUS / (DEFICIT)	-11	-1,726	1,715	161,664
COVID-19 Stimulus:				
ATO PAYG credit - confirmed	0	0	-35,508	35,508
Victoria Government support (Creative Victoria & Business Support Fund)	0	0	-40,000	40,000
Australia Council	0	0	-22,236	22,236
City of Melbourne	0	0	-4,000	4,000
JobKeepers allowance	15,600	0	-62,400	78,000
	15,600	0	-164,144	179,744
Government Funding:				
Australia Council - unconfirmed	21,000	20,000	1,000	20,000
Creative Victoria - unconfirmed	19,500	55,000	-35,500	21,000
City of Melbourne - confirmed	15,000	15,000	0	12,000
Creative Partnerships	0	0	0	25,000
Creative Victoria/Touring Vic	0	0	0	10,000
	55,500	90,000	-34,500	88,000
Philanthropy:				
Private Donations - confirmed	5,300	5,000	300	104,942
Private Donations - pledged	21,000		21,000	
Private Donations - unconfirmed	91,700	113,000	-21,300	
Trusts & Foundations - confirmed	67,500	36,500	31,000	100,000
Trusts & Foundations - unconfirmed	17,500	48,500	-31,000	
	203,000	203,000	0	204,942
Cash Reserves:				
Cash balances at 22 Feb	255,131			
Committed cash balances	TBC			

ATTACHMENT 2 – FINANCIAL SUMMARY 2020 (draft EOFY position)

FLINDERS QUARTET Financial Summary					
	2020			2020	
	EOFY DRAFT	2020 FORECAST	Var \$	BUDGET	Var \$
Income					
Concerts Revenue	39,661	38,207	1,454	76,500	-36,839
Government Funding	88,000	88,000	0	78,000	10,000
Government COVID-19 Stimulus	179,744	179,744	0	0	179,744
Philanthropy	211,025	204,942	6,083	190,000	21,025
Recording	715	715	0	5,500	-4,785
Other	0	0	0	0	0
Total Revenue	519,145	511,608	7,537	350,000	169,145
Expenditure					
Salaries	269,064	271,038	-1,974	240,875	28,189
Event costs	40,225	39,328	897	40,565	-340
Development	16,088	25,203	-9,115	11,400	4,688
Recording	3,150	3,000	150	4,000	-850
Marketing	14,170	18,135	-3,965	29,000	-14,830
Travel	4,937	7,162	-2,225	12,920	-7,983
Administration and other	9,846	8,705	1,141	9,364	482
Total Expenditure	357,480	372,571	-15,091	348,124	9,357
NET SURPLUS / (DEFICIT)	161,664	139,037	22,627	1,876	159,788