

PURPOSE:

To provide the Board with an update of the 2023 Forecast, and to present the audited 2022 year-end Financial Statement for review and approval.

CURRENT CASH POSITION

Flinders Quartet has \$262,469 cash on hand as at 12 April 2023 with \$13,500 restricted for specific committed purposes.

2023 FORECAST

1. The 2023 Forecast (refer to Attachment 1) presents a net surplus of \$901, which is a \$54 increase in surplus compared to the 2023 Forecast presented at the 9 February 2023 Board meeting.
2. Concert revenue forecast remains unchanged and comprises:
 - a. \$28,000 ticket sales target; \$1,027 has been received to date but recognised as “ticket sales in advance” (not revenue) until the concerts have been delivered
 - b. \$43,091 earned in concert fees to date; with \$42,500 target for remainder of 2023
3. Government Funding forecast of \$130,000 remains unchanged and includes:
 - a. Creative Victoria \$100,000; \$50,000 received, balance expected in second half of 2023
 - b. City of Melbourne \$30,000 (received)
4. Philanthropy revenue forecast of \$227,500 remains unchanged and includes:
 - a. Private donation revenue target of \$199,000, with \$15,744 confirmed and received
 - b. Trusts & Foundation revenue target of \$28,500 with \$13,500 confirmed and received
 - Canny Quine Foundation (Linda Herd) \$6,000 – confirmed/received
 - Robert Salzer Foundation \$7,500 – confirmed/received
 - Besen Family Foundation \$10,000 – awaiting the outcome of the annual funding renewal application submitted late March
 - Lyngala Foundation (Anthony Adair and Karen McLeod Adair) \$5,000 – personal approach to be made before EOFY
 - Other trust & foundation grant applications submitted but not yet included in the forecast include The Angior Family Foundation, The Charles Allen Foundation, Cybec Foundation, and Betty Amsden Foundation (to be submitted in April)
5. Recording revenue forecast increased in early 2023 due to a new recording project with Bryony Marks, resulting in an additional \$10,000 in income and expenditure (a \$0 impact to the 2023 bottom line).

6. Expenditure variations include:
 - a. Small reduction in musicians' salaries resulting from a minor adjustment to the number of days per diem a guest violinist is to be paid
 - b. \$10,000 increase in casual/project employee costs, related to the Bryony Marks recording project mentioned above
 - c. Small increase in guest artist (contractors) fees forecast
 - d. Small re-allocation administration budget to development to fund the purchase of Margaret Sutherland biography books to be used as donor gifts
 - e. Small decrease in marketing resulting from a change from print to digital marketing collateral
7. Please refer to Attachment 2 for a full list of 2023 activity covered under this Forecast.

2022 AUDITED ACTUALS

1. The 2022 year-end financials have been audited and the final Financial Statement for the year ending 31 December 2022 is provided as a separate paper for the Board's review. We will seek the Board's approval of these statements at the 19 April 2023 Board meeting.
2. A summary of the 2022 year-end position (and comparison to the current year budget and forecast, and prior year actuals) is provided in Attachment 1 and presents a net surplus of \$7,693. This represents a \$4,950 improvement on the 2022 draft actuals presented at the 9 February 2022 Board meeting, resulting from 2023-related marketing and insurance expenditure journaled into the 2023 year at the accountant's recommendation.
3. In addition to the audited 2022 Financial Statements, the accountants have provided the following documents:
 - a. Board representation letter (provided in the meeting papers), attesting that the financial report is presented fairly and in accordance with Australian accounting standards; signed by Sandra Stoklossa on behalf of the Board
 - b. Letter from the accountant and auditor to the Flinders Quartet Board Members (provided in meeting papers)

ATTACHMENT 1 – 2023 FORECAST

FLINDERS QUARTET						
Financial Summary						
	2023 FORECAST	2023 BUDGET	Variance	2022 ACTUALS	2021 ACTUALS	2020 ACTUAL
Income						
Concerts Revenue	113,591	113,591	0	60,754	51,176	39,661
Government Funding	130,000	130,000	0	134,000	46,500	88,000
Government COVID-19 Stimulus	0	0	0	0	69,200	179,744
Philanthropy	227,500	227,500	0	251,379	263,148	201,225
Recording	14,800	4,800	10,000	2,692	3,890	715
Other	0	0	0	9,400	0	0
Total Revenue	485,891	475,891	10,000	458,225	433,914	509,344
Expenditure						
Permanent salaried employee costs	250,277	250,407	-130	317,502	247,720	265,189
Casual employee costs	91,847	81,847	10,000			
Contractors	6,441	5,850	591			
Event costs	77,919	77,919	0	73,722	55,249	50,114
Development	7,800	7,650	150	7,280	4,895	16,088
Recording	0	0	0	2,012	11,030	6,280
Marketing	23,485	24,000	-515	19,468	12,411	11,030
Travel	18,570	18,570	0	22,519	8,177	4,147
Administration and other	8,650	8,800	-150	8,028	10,891	8,444
Total Expenditure	484,990	475,044	9,946	450,532	350,373	361,293
NET SURPLUS / (DEFICIT)	901	847	54	7,693	83,541	148,051
Government Funding:						
Australia Council	0	0	0	28,000	0	20,000
Creative Victoria - confirmed	100,000	100,000	0	100,000	19,500	21,000
City of Melbourne - confirmed	30,000	30,000	0	0	15,000	12,000
Creative Partnerships	0	0	0	0	0	25,000
Creative Victoria/Touring Vic	0	0	0	0	18,000	10,000
RISE	0	0	0	0	0	0
Carried forward from 2021 to 2022	0	0	0	6,000	-6,000	
	130,000	130,000	0	134,000	46,500	88,000
Philanthropy:						
Private Donations - confirmed	15,744	0	15,744	183,879	171,648	111,025
Private Donations - pledged	0	0	0	0	0	
Private Donations - unconfirmed	183,256	199,000	-15,744	0	0	
Trusts & Foundations - confirmed	13,500	0	13,500	48,000	111,000	90,200
Trusts & Foundations - unconfirmed	15,000	28,500	-13,500	0	0	
Carried forward from 2021 to 2022	0	0	0	19,500	-19,500	
	227,500	227,500	0	251,379	263,148	201,225
Cash Reserves:						
Cash balances as at 12 April 2023	262,469					
Committed cash balances	13,500					
Philanthropy revenue at risk	198,256					

ATTACHMENT 2 – 2023 ACTIVITY COVERED UNDER FORECAST

National tour for Musica Viva Australia (Feb/March) – 10 concerts

Octet performance for 3MBS Marathon (Feb) – 1 concert

Studio recording of Margaret Sutherland's clarinet quartet for ABC Classic (March)

Studio recording of Bryony Marks' 'Australia Fair?' (March)

Three concert programs (May, July and October)

- Self-presented in the Primrose Potters Salon at Melbourne Recital Centre, Montsalvat and St John's Church – total of 11 live concerts
- Made available for on-demand streaming on FQ Digital – 3 digital concerts
- May concert program toured to regional Victoria and Northern Tasmania – 4 concerts
- July concert program toured to regional Victoria – 2 concerts
- October concert program toured to regional Victoria – 2 concerts

Two open rehearsals (May and Oct)

One concert program toured to regional Victoria and engaging guest artist (erhu) (Aug and Nov) – 4 concerts

Residency with Monash University

Creative development, rehearsals and performance of new works by 4 composers: Brenda Gifford, Clare Strong, Julian Yu, and Natalie Nicolas

Year-long Emerge composer program – 6 composers

Workshops and side-by-side concerts with regional Victorian musicians through the Itet and Resonance programs – total 5 concerts

Residency activity with Footscray High School and Ringwood College

Ongoing development of FQ Digital (including FQ Digital Free) and the FQ learning hub