

FLINDERS QUARTET INC. FINANCIAL REPORT

12 March 2020

2019 PROVISIONAL EOFY SUMMARY

FLINDERS QUARTET Financial Summary					
	2019 ESTIMATE	2019 BUDGET	2019 Var \$	2018A	2017A
Income					
Concerts Revenue	57,133	52,136	4,997	66,625	71,564
Government Funding	21,000	74,500	-53,500	61,000	48,500
Philanthropy	167,530	180,000	-12,470	163,077	159,435
Recording	3,450	1,900	1,550	1,125	2,169
Other	1,433	2,000	-567	0	2,073
Total Revenue	250,546	310,536	-59,990	291,827	283,741
Expenditure					
Salaries	163,478	181,610	-18,132	162,656	158,425
Event costs	30,802	47,295	-16,493	45,890	54,461
Development	36,071	34,500	1,571	19,594	13,854
Recording	733	2,850	-2,117	11,701	7,557
Marketing	21,688	22,850	-1,162	21,873	15,372
Travel	10,289	12,745	-2,456	14,148	8,907
Administration and other	5,881	6,410	-529	6,696	13,031
Total Expenditure	268,942	308,260	-39,318	282,558	271,607
NET PROFIT / (LOSS)	-18,396	2,276	-20,672	9,269	12,134
Government funding:					
Creative Victoria	21,000	38,500	-17,500	38,000	18,500
Australia Council - 2019 unsuccessful	0	21,000	-21,000	23,000	15,000
Local govt - unsuccessful	0	15,000	-15,000	0	0
Creative Partnerships Australia	0	0	0	0	15,000
	21,000	74,500	-53,500	61,000	48,500
Philanthropy:					
Private Donations - Received	131,030		6,030	106,827	151,935
Private Donations - Target		125,000			
Trusts & Foundations - Confirmed	36,500		-18,500	56,250	7,500
Trusts & Foundations - Target		55,000			
	167,530	180,000	-12,470	163,077	159,435

NOTES

- The Jan-Dec 2019 financial year has been closed off, and the draft final position (shown in the '2019 Estimate' column) is a deficit of \$18,396. This movement compared to the October 2019 forecast is driven by the shortfall in philanthropic revenue, as well as the unsuccessful grant applications earlier in the year.
- These are the provision end-of-financial-year figures, prior to sending the financials to the accountant for review/auditing.
- Cash reserves will be used to cover the deficit.
- The '2019 Budget' column figures shown are from the 2019 budget presented to the board in December 2018
- Variances in salaries and event costs are the result of a reduction in activity once it was understood that we weren't going to reach the government funding budgeted for. The following cost reductions were made:
 - tightening up of the rehearsal/project schedules (i.e. reduced the number of paid calls)
 - removed 24 paid calls that we planned to use for either international touring or album recording, plus cost allowances made for those activities
 - reduced some guest artist fees (one because we didn't end up with an extra performance we'd planned on; and another 'extension' type activity we decided to scrap due to lack of funds)

- reduced production/technical costs associated with one of the programs
- coaching/professional development didn't go ahead
- an arrangement commission planned on fell through (an existing work by the same composer/arranger was programmed in lieu)

2020 BUDGET

FLINDERS QUARTET					
Financial Summary					
	2020 BUDGET	2019 ESTIMATE	Var \$	2018A	2017A
Income					
Concerts Revenue	76,500	57,133	19,367	66,625	71,564
Government Funding	78,000	21,000	57,000	61,000	48,500
Philanthropy	190,000	167,530	22,470	163,077	159,435
Recording	5,500	3,450	2,050	1,125	2,169
Other	0	1,433	-1,433	0	2,073
Total Revenue	350,000	250,546	99,454	291,827	283,741
Expenditure					
Salaries	240,875	163,478	77,397	162,656	158,425
Event costs	40,565	30,802	9,763	45,890	54,461
Development	11,400	36,071	-24,671	19,594	13,854
Recording	4,000	733	3,267	11,701	7,557
Marketing	29,000	21,688	7,312	21,873	15,372
Travel	12,920	10,289	2,631	14,148	8,907
Administration and other	9,364	5,881	3,483	6,696	13,031
Total Expenditure	348,123	268,942	79,181	282,558	271,607
NET PROFIT / (LOSS)	1,877	-18,396	20,273	9,269	12,134
Grants:					
Creative Victoria - confirmed	21,000	21,000	0	38,000	18,500
Australia Council - submitted Feb 2020	20,000	0	20,000	23,000	15,000
City of Melbourne - confirmed	12,000	0	12,000	0	0
Creative Partnerships - confirmed	25,000	0	25,000	0	15,000
	78,000	21,000	57,000	61,000	48,500
Philanthropy:					
Private Donations - Received	18450	131,030		106,827	151,935
Private Donations - Target	116,550	0		0	0
Trusts & Foundations - Confirmed	25000	36,500		56,250	7,500
Trusts & Foundations - Target	30,000	0		0	0
	190,000	167,530	0	163,077	159,435
Cash Reserves:					
Financial assets	26,621	66,531			
Less: Liabilities and commitments	-12,889	-43,979			
Less: Contingency TBC	-15,000	-15,000			
Available cash reserves	-1,268	7,552			

2020 BUDGET NOTES

- Compared to the draft 2020 budget presented at the October 2019 board meeting
 - Increase in total revenue of \$9,658 (increased concert and recording revenue, slight decreases in government funding and philanthropy revenue lines)
 - Increase in total expenditure \$10,257 (increases in salaries and development expenses, decreases in all other expense lines)
 - Decrease in surplus of \$599 (was \$2,476 in Oct 2019 draft budget)
- Creative Partnerships Australia grant of \$25,000 is for matched funding through their Plus1 initiative; we have now surpassed the funding target of \$25,000 with \$31,930 raised to date. Therefore the \$25,000 from Creative Partnerships Australia can be considered confirmed but not yet received.
- Philanthropic revenue still targeted is highlighted in the above budget
- Increase in salaries as a result of 0.31FTE commencing January 2020, with salaries for six

- personnel and on costs included in this expenditure line
- Decrease in development expenditure compared to 2019 due to the development manager's contractor fees moving from 'Development' expense line to salaries in 2020
 - Increase in event costs in comparison to 2019 due to two new commissions in 2020 (total fees payable to composers: \$25,000)
 - Increase in marketing expenditure due to engagement of publicist to support 2020 season announcement and one of the three 2020 concert programs; also, increased filming/documentation of programs/projects
 - Increase in administration budget due to transition to Xero accounting software (subscription) and investment in equipment
 - Expenditure to be reduced if some of the budgeted government funding and/or philanthropy revenue is not secured: casual salaries for extra activities, recording expenses, planned equipment purchases, production expenses, advertising, and filming/photography
 - Preliminary cash reserves section added to budget; including a draft contingency amount of \$15,000 (further analysis needed to refine this)
 - The next version of this financial summary format will key drivers