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**Leicestershire & Rutland Drama Festival**  
**TREASURERS' FINANCIAL REPORT – YEAR ENDED 30 APRIL 2017**

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**Key summary**

Another successful year for LRDfestival with an overall surplus of £313 in the year (2016: £1,828).

**Annual fundraiser**

The reason for the significant decrease in surplus on the prior year is due to LRDF not hosting a 2017 annual fundraiser, which previously made profits of £1,311 in 2016. Removing the fundraiser from the figures gives a more comparable 2016 surplus of £517. The decision was made by the Committee to defer the fundraiser into the 2018 financial year, due to concern over attendance numbers. A long term objective of the Committee has been for LRDF to become 'self-sufficient' without needing to rely on fundraising activities. 2017 is the third consecutive year in which this has been the case. Whilst the annual fundraiser is a vital way of raising additional funds, the Committee can gain comfort that the Festival remains a going concern even without this.

**Agreement with The Little Theatre**

The Committee continues to build a relationship with The Little Theatre which results in very favourable terms being agreed for the hosting of the Festival. This agreement provides a significant advantage for the Committee, through being a "profit share" initiative rather than a fixed cost. This firstly gives the Committee comfort that, in the event of significantly reduced attendance numbers, the Committee's outlays will equally reduce, lessening the impact on the group's finances. Secondly, based on current attendance numbers, the total cost paid over to The Little Theatre is significantly less than previous costs from other venues. There are also sound commercial advantages to using The Little Theatre. Whilst the Committee can be proud of achieving such terms, it should be noted that any future withdrawal of The Little Theatre from our agreement would severely challenge the finances of the group for future Festivals unless ticket sales can be grown.

**Ticket sales**

The most challenging financial concern of the Committee is to retain and grow customers to the Festival. Gross ticket sales were £1,742 for the preliminary round in 2017, compared to £1,858 in 2016. Whilst this is only a modest decrease, the Committee acknowledges this is a trend likely to continue unless successful counter measures are adopted. This is a key financial concern going forward. A focus continues to be given to raising additional funds where possible by operating raffles and selling programmes.

## **Raffles and programmes**

Raffles continue to generate in excess of £100 each year and are very successfully run. For the 2018 festival, an additional 'special' raffle is to be considered where tickets are sold each evening for a one-off draw during the final session of the Festival, with the prize being a wine hamper. Bottles would be donated by volunteers. In doing so, importance should be given to ensuring total receipts are more than the cost of the wine for the initiative to be successful, and that the idea does not detract from sales of 'regular' raffles.

Programmes are of financial concern, given the loss made in 2017 and only marginal profit in 2016. The sales model continues to be sound, with a price of £1.50 and a cost of around 80p, however quantities have been significantly over-ordered in prior years. 2018 should allow for a more accurate estimate to be made in the ordering process.

## **Banking**

It has been agreed that a change of banks from HSBC to Lloyds will occur during the 2018 year. This will allow greater flexibility for the Treasurer to make and receive payments, as well as ongoing monitoring of funds. It has also been prompted by HSBC's repeated delays and cumbersome processes in getting their records of authorised signatories updated.

## **General expenses**

LRDF benefits from a low number of general expenses, partly due to its operating model and partly due to the generosity of its Committee and members in not seeking reimbursement. This has been lowered further in 2017 by the treasurer re-assessing internet site costings. Cancelling the historic website agreement is now saving the group approximately £135 per year.

## **Bank balance**

LRDF has available funds of £4.8k at the year end, compared to £4.5k in 2016. This provides a suitable reserve level for the group, and has the potential to grow further when the next annual fundraiser is run. Given the challenging climate faced by the group, the Treasurer does not recommend the release of additional funds at present.

## **Quarter Finals 2017**

Given LRDF hosted the Quarter Finals in 2017, additional income and costs were incurred. The Quarter Finals generated £95 of profit, 90% of which is required to be paid over to the AETF to contribute to the area's 'reserve' fund, which is held to offset future festival losses by the area. Therefore the Quarter Finals generated only £9 of surplus for LRDF.



Steve Cutler  
*Treasurer, LRDfestival*