



launceston film society



2010/11 Plan

for the

Launceston Film Society



Prepared by:

2009/10 LFS Committee

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The Launceston Film Society

Background and History

The Launceston Film Society was founded in the 1950s. Films are currently shown at the Village Cinema at 6 pm sessions every Monday, Wednesday and Thursday usually for 40 weeks of the year. (See the full history at www.tco.asn.au).

The Launceston Film Society constitution sets out the objects of the society as being:

- to encourage interest in film as an art form;
- to screen films;
- and to promote the opportunity for the viewing of films of merit.

The society has 1,304 members in 2010 with over 130 on the waiting list. This growth has been largely in the previous five years, before which efforts were often necessary to solicit membership through guest cards and half year memberships.

It is the largest, as far as is known, film society in Australia, There is considerable interest in joining the society, with anecdotal reports that many potential members have not applied for membership due to the lack of available memberships. Existing members have recently been given right of first-renewal each year due to this high demand.

2009 Committee

President Mark Horner

Vice-President Jack Morton

Secretary Gill Ireland (Membership)

Treasurer William Doudle (Public Officer)

Peter Gillard (Bookings & Newsreel)

Susan Aylett

Sue Walker

Owen Tilbury

Life Members

Barbara Murphy, Edward Broomhall, Caroline Ball, David Heath, Michèle McGill, Peter Gillard, Rodney O'Keefe, Stan Gottschalk, and the late Juliet Partridge.

The committee is required by the Constitution of the Association to:

- control and manage the business and affairs of the Association; and
- exercise all the powers and perform all the functions of the Association, other than those powers and functions that are required by these rules to be exercised by general meetings of members of the Association;



- and has power to do anything that appears to the committee to be essential for the proper management of the business and affairs of the Association.

Note: The LFS is an Association governed by the rules in its constitution (see LFS website). It is not a co-operative, where decisions are made on the vote of all co-op members.

2009 Activities

Membership

Guest memberships and transfer of memberships were discontinued by the committee in 2009 due to the pent up demand for full-time memberships. There were issues about the constitutionality of guest membership given that the LFS is a membership-based Association and guest memberships can not be linked to a specific name.

The membership fee was raised from \$70 to \$100 for one year's membership entitling members to view 40 films (average cost of \$2.50/film). The fee increase was introduced to address declining reserves and to provide funds for 2010 activities. The increase was not driven by the costs associated with the introduction of a Smartcard (see below). The increase created discontent and a meeting was held with a group of concerned members in December 2009 to attempt to explain the reasons for this and other concerns.

In 2009/10 internet membership renewal was undertaken by 92% of members making the process very efficient as members could renew online from anywhere at any time without having to mail in their renewal or renew in person at Mojo Music. Provision was made for members without an internet connection who wish to mail in their renewal and payment.

This solution has been reached at the end of a sequence of initiatives over the years to ensure existing members were able renew more conveniently.

On-line Renewal System/Smartcard

This was introduced as an electronic membership solution by the committee in early 2009 (after having been considered over a number of years as the technology matured) as it had a number of benefits:

1. It improves the renewal process (see above). The new cards can be retained and members can renew online or , for those without computer access, pay directly by cheque or money order.
2. To create a database that can be used for electronic communication and membership management
3. Cost savings on annual cardboard card printing, Mojo handling fees, postage and mailouts
4. The ability to monitor attendances by day, week and particular film. This allows the possibility for increasing membership should there be consistent under-utilisation of seats, thus meeting some of the pent-up demand. For example, early data from the smartcard shows that Mondays and Wednesdays are less popular and, therefore, it is potentially feasible to provide memberships to those on the waiting list for those evenings.



5. A scanner operator has been appointed to make sure that all members are scanned into screenings. This overcomes a long standing problem faced by committees over the years, which have found it hard to consistently and reliably staff the door for 30 minutes before the session and until the last members have arrived. The scanner is not a servant of the Society but a casual sub-contractor who is paid a budgeted fee for their service.

Cumulative cost savings over 5 years of \$8,764 have been projected. See calculations at Appendix 1. These will continue.

Website

The website was updated and modernised in 2009 to better reflect the image of the Society. The website had previously been maintained by a committee member who had left the committee. A low cost independent web designer was appointed to continue the website as webmaster and to create better graphics, to include extra pages and to upgrade the interactivity. \$905 was spent on this activity over the year.

Membership survey

A survey of opinions and attitudes of members was conducted in January/February 2010 with 494 responses (38% of total membership). The age and gender profile of the sample was extremely close to the profile of age and gender of the membership (as identified by the database). This indicates that the survey is a valid sampling of the opinions of the membership.

The following statements were rated on a scale of Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree or Not Applicable. The percentage of respondents either agreeing or strongly agreeing to the following statements (see Appendix 3) were:

1. I am satisfied with the range of films shown by the Launceston Film Society – **68.4%**
2. I would appreciate fewer films with sub-titles to be shown by the LFS – **10.6%**
3. I would buy a guest membership if it were available – **37.7%**
4. LFS should continue hosting evenings where members can vote on recent LFS films that they liked and did not like – **66.3%**
5. LFS should offer cinema appreciation sessions linked to LFS film showings – **41.4%**
6. An LFS screening at 9 pm on Tuesdays would be beneficial – **18.2%**
7. LFS should organise informal discussions over a meal after LFS film showings – **21.3%**
8. LFS should run an annual film festival – **66.4%**
9. The LFS membership fee is value for money – **84.9%**

As well as comments explaining the members' reasons for their ratings, there were additional comments which can be summarized as:

- There is a need for a more balanced range of films, which, at present, can, for weeks at a time, be dark, violent and sexually explicit.
- Whilst the membership fee was overwhelmingly still seen as value for money, there was considerable dissatisfaction with the lack of communication as to the reason for the significant jump in the price
- There were many comments recognizing the hard work done by the committee.

Film Appreciation



Adult Education in conjunction with LFS is conducting “A Passion for Cinema” course in March/April 2010 for five week at which film enthusiast and Life Member, Stan Gottschalk, will talk on different film styles and lead discussions using LFS screenings as examples of particular form, style and content. This is an initiative aimed at meeting the LFS purpose of encouraging “interest in film as an art form” and promoting “the opportunity for the viewing films of merit”. This follows the tradition whereby, in previous years, film directors have been paid to give an insight into their motivations and methods to that sub-set of members interested in such matters.

The general public and any LFS member may attend “A Passion for Cinema”, subject to availability. However, to provide a member benefit, to recognize that members already have access to LFS films (unlike the general public who come to the course) and to ensure the initiative can stand on its own feet in its formative year, a subsidy is provided to LFS members (on a first come basis). Members pay the enrolment fee in full and are reimbursed by LFS with the subsidy of \$41 which means they pay only \$20. There is no intention of continuing the subsidy once the concept is proven.

Finances

The Profit & Loss and Balance Sheet at November 2009 (See Appendix 2) indicates a deteriorating financial situation needing close management. Specifically:

- **Operating loss.** A cash loss in 2009 of \$7,677.65 was incurred (following a 2008 loss of \$3,688.09). Despite income increasing from \$83,745.67 in 2008 to \$93,900.79 in 2009, expenses increased more rapidly, such as Village Cinema hire (an additional \$12,816.50), Mojo booking fees (up \$1,341) and extra website costs to pay for the upgrade and on-line registration (up \$795). Village Cinema fees will rise by at least \$7,000 in 2010 as currently negotiated by letter of understanding.

Note: 1) Village hire costs account for **77%** of expenses; 2) The Society has been operating at an annual loss since 2006, before which it had annual surpluses/profits of around \$10,00 annually; 3) Costs of the popular voting evenings at the Star Bar/Billabong have been steady (2008 to 2009), with overall functions costs reducing (although they will increase in 2010 due to three functions per year and a higher functions catering cost).

- **Reduction in net assets.** Net assets (equity) for the Society have declined (by the trading loss figure of \$7,677.65) from \$90,215.6 to \$82,537.95. **Note:** 1) The Society has had reducing net assets since 2005 when they peaked at \$108,043; 2) The current situation has been created due to the net operating loss. It has not been impacted by the purchase of the Smartcard, which is not treated as an expense but is the purchase of a capital asset on the balance sheet.
- **Fiscally responsible course of action.** The increased income from 2010 fees will be used to reverse the operating loss situation (ie. finish the year with a surplus/profit) and to commence addressing the erosion of the capital base and reserves of the Society, which have slipped below the “one year’s operating costs reserve figure” of around \$100,000. **Note:** The decision was made, by the committee responsible for the Society in the early 1990s, to maintain approximately one year’s operating budget as reserves to protect the Society from fluctuations in membership numbers (and, therefore, loss of fee income) and unforeseen increases in screening and other



expenses such as theatre and film hire, freight and insurances. The need to maintain these reserves has been seen as good governance by committees since then.

Governance

This Plan and Budget were formally prepared, for the first time in the history of the Society, at a weekend planning session in late February 2010 in order to present the activities the LFS Committee propose for the next year. In the past, the AGM and election of the committee has taken place briefly before a film viewing. In 2010 a separate AGM has been organized to allow the committee to explain its plans and to receive input from the membership before elections are held. **Note:** This is not a requirement specified by the Constitution, but is in response to the members' express request for more information.

A copy of the Balance Sheet, Annual Plan and 2010 Budget will be displayed on the LFS website after the AGM.

Note: The committee is made up of volunteers who love film. They meet in their own time and at their own meeting expense in committee member homes. They are not paid. They receive a free membership whilst on the committee.

It has been the long-standing tradition of past committees and their partners to have an end-of-year evening function. This took place in 2009 at Black Cow in Launceston at a cost of \$1,216.10. To put this in context, for example, the 2006 committee spent \$1,000 at Stillwater. In both cases this constitutes around \$100/month to run a society of this size, which required >1,000 hours of committee member time in 2009.



2010 Goals

The Launceston Film Society constitution sets out the objects of the society as being:

- to encourage interest in film as an art form;
- to screen films;
- and to promote the opportunity for the viewing of films of merit.

Goals for 2010/11 are:

- To commence the implementation of a fiscally responsible course of action to re-establish capital reserves equivalent to approximately one year's operating expenses
- To improve the governance of the Society and interactions with the membership of the Society
- To further encourage interest in film as an art form and the promotion of opportunities for the viewing of films of merit.



Action Plan # 1: Capital reserves

Measure of Success/Objective: To commence the implementation of a fiscally responsible course of action to re-establish capital reserves equivalent to approximately one year’s operating expenses

Champion: Treasurer..... **Date Set:** February 2010.....

	Tasks	Resources and Costs (Source?)	Team Members	To Be Completed By	Status at/...../.....
1.1	Ensure adherence to the 2010 Budget by monitoring of expenses items compared to the Budget at monthly meetings		Treasurer	Ongoing	
1.2	Seek to cut costs by, for example, offering electronic dissemination of the Newsreel to members not needing a printed copy		Secretary Treasurer	By Dec 2010	
1.3	Seek funding for Society activities from government and other sources		President	Ongoing	
1.4	Conduct activities over and above the regular screenings of films at break-even or preferably at a profit		Committee	Ongoing	

Action Plan # 2: Governance and communications

Measure of Success/Objective: To improve the governance of the Society and interactions with the membership of the Society

Champion: President **Date Set:** February 2010.....

	Tasks	Resources and Costs (Source?)	Team Members	To Be Completed By	Status at/...../.....
2.1	Conduct a review of the Constitution to bring it into line with current practices. Communicate any changes to members and take to a General Meeting		President	June 30 2010	
2.2	Investigate the ability to change the Constitution to allow the currently unconstitutional practice of offering guest membership , ensuring that potential full members on the waiting list are not disadvantaged		President	June 30 2010	
2.3	Prepare a Privacy Policy to further protect the interest of members' information		President	June 30 2010	
2.4	Delegate, amongst the Committee, some of the current responsibilities of the Secretary role to share the administrative load of the society's activities more equitably and effectively		President	March 30 2010	
2.5	Trial the use of sub-committees including non-committee members to assist in staffing of the door at screenings and in support of new initiatives		President	June 30 2010	
2.6	Prepare a Policy and Procedures Manual for the use of committee members and to facilitate the effective induction of new committee members		Secretary	June 30 2010	

2.7	Use sub-contractors as needed within the constraints of the Budget		Secretary	Ongoing	
2.8	Update the website to use it more effectively as a means of communicating with the membership by investigating/trialling: <ul style="list-style-type: none"> • Comments and requests directed to the Committee • Member preferences for films from those films under consideration <u>before</u> the selection is made by the Committee • Member voting on films just screened • Feedback on voting results from the evening voting sessions, which will continue • Member “blog” for interchanges between members • Displaying the last year’s Profit & Loss and balance sheet, constitution and history • Displaying the current Plan and Budget • Other initiatives as appropriate 		Website committee	June 30 2010	
2.9	Continue to use the Newsreel as a means of communicating with members		Newsreel committee	Ongoing	
2.10	Use the survey process as a means of collecting membership opinions on new initiatives and to gauge member satisfaction		President	December 30 2010	Used in Feb 2009

Action Plan # 3: Film as an art form

Measure of Success/Objective: To further encourage interest in film as an art form and the promotion of opportunities for the viewing of films of merit.

Champion: President..... **Date Set:** February 2010.....

	Tasks	Resources and Costs (Source?)	Team Members	To Be Completed By	Status at/...../.....
3.1	Select a balance of different genres and censor ratings (G, M, MA, R) of film – drama, violence, classics, romance, comedy etc – ensuring that members are offered quality non-mainstream films over the full year, which are interesting, enjoyable and/or challenging		Bookings & Newsreel Committee	May 30 2010 (for second half 2010)	
3.2	Evaluate the “Passion for Cinema” film appreciation course conducted in 2010 in collaboration with Adult Ed in order to: <ul style="list-style-type: none"> • Establish its success (or not) • Review the format, venue, course size and fees/subsidies for the future if successful (and stop if not successful) • Review the partnership with Adult Ed (plus investigate running it ourselves) 		Committee	May 30 2010	

3.3	<p>Investigate conducting an LFS Film Festival including:</p> <ul style="list-style-type: none"> • Format/theme • Extent/size/range • Partnerships (eg language associations, AFI, Screen Tasmania, other film societies etc) • Venue(s) • Timing (within year, year to year) • Costs • Funding support (eg Launceston City Council, Arts Tasmania, 10 days on the Island, Community fund, federal member, state member etc) 		Film Festival Committee (and sub-committee members)	December 30, 2010	
3.4	<p>Remain open to ad hoc opportunities for the encouragement of interest in film as an art form and the promotion of opportunities for the viewing of films of merit.</p>		President	Ongoing	
3.5	<p>Monitor attendances by day, week and particular film to increase membership should there be consistent under-utilisation of seats, thus meeting some of the pent-up demand for access to films of merit in the north of Tasmania.</p>		Membership Committee	Ongoing	

2010 Operating Budget

	2007	2008	2009	Projection 2010	
Income					
Members subscriptions	\$74,510	\$78,420	\$89,910	\$128,400	
Interest	\$5,410	\$5,147	\$3,991	\$4,000	
Membership transfers	\$0	\$0	\$0		
Sundry	\$119	\$179	\$0		
2008 subscriptions prepaid	\$0	\$0	\$0		
Total income	\$80,039	\$83,746	\$93,901	\$132,400	
Expenditure					Per Member
Accountancy and audit	\$396	\$396	\$396	\$400	\$0.31
Advertising	\$0	\$1,293	\$37	\$500	\$0.38
Amortisation		\$0	\$1,233	\$2,713	\$2.09
Bank charges	\$95	\$60	\$25	\$60	\$0.05
Booking fees & credit card costs	\$2,712	\$2,570	\$3,186	\$3,434	\$2.64
Door support and data analysis				\$3,000	\$2.31
Depreciation	\$16	\$13	\$11	\$10	\$0.01
Filing fees Dept of Justice			\$51	\$51	\$0.04
Functions	\$5,655	\$4,600	\$4,472	\$9,292	\$7.15
Films and Village hire	\$70,551	\$70,564	\$83,380	\$90,000	\$69.23
Essential Films	\$650				\$0.00
Gifts and presentations	\$220	\$253	\$441	\$500	\$0.38
Insurance	\$14	\$14	\$14	\$14	\$0.01
Newsreel	\$2,131	\$5,164	\$2,682	\$5,500	\$4.23
Postage	\$1,907	\$1,551	\$2,861	\$300	\$0.23
Printing and stationery	\$24	\$661	\$1,581	\$600	\$0.46
Subscriptions (AFI & TFFOS)	\$120	\$120	\$120	\$120	\$0.09
Slides	\$29	\$15	\$0	\$0	\$0.00
Sundry expenses	\$298	\$50	\$183	\$600	\$0.46
Web site	\$158	\$110	\$905	\$2,000	\$1.54
Total expenditure	\$84,975	\$87,433	\$101,578	\$119,094	\$91.61
Surplus/ (deficit) for the year	-\$4,936	-\$3,688	-\$7,677	\$13,306	\$8.39
Opening balance of accumulated funds	\$98,840	\$93,903	\$90,215	\$82,537	
Closing balance of accumulated funds	\$93,903	\$90,215	\$82,537	\$95,843	

Appendix 1: Cost comparison Smart Card vs Cardboard Card

COST COMPARISON - Smart card v Old card							
SMART CARD	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Initial setup cost inc. cards amortised over 5 years	2713	2713	2713	2713	2713		
Postage (new member cards) 10% (inc ann by 1%)	130	131	133	134	135	137	138
Register Now fee (inc 1%pa)	3210	3242	3275	3307	3340	3374	3407
Door support & data analysis (ic 3% pa)	3000	3090	3183	3278	3377	3478	3582
TOTAL	9053	9176	9303	9432	9565	6988	7128
CUMULATIVE COST	9053	18229	27532	36965	46530	53518	60646
OLD CARD							
Postage costs (renewal letters/receipts) (inc 5% pa)	780	788	796	804	812	820	828
Mojo fee and credit card fee (inc 1% pa)	5650	5707	5764	5821	5879	5938	5998
Printing costs (tickets / receipts) (inc 3% pa)	2600	2678	2758	2841	2926	3014	3105
Total Annual costs	9030	9172	9318	9466	9617	9772	9930
CUM COST	9030	18202	27520	36986	46603	56375	66305
DIFFERENCE	23	27	12	-21	-73	-2857	-5660

Appendix 2: P & L and Balance Sheet, November 2009

**LAUNCESTON FILM SOCIETY
INCORPORATED**

ABN 80 172 678 641

FINANCIAL REPORT

YEAR ENDED

NOVEMBER 30, 2009

Launceston Film Society
Incorporated
ABN 80172678641
Profit and Loss Statement
For the year ended 30 November 2009

	This Year \$	Last Year \$
ORDINARY INCOME		
Interest Received	3,990.79	5,146.67
Members Subscriptions	89,910.00	78,420.00
Other Income	0.00	179.00
TOTAL ORDINARY INCOME	93,900.79	83,745.67
TOTAL INCOME	93,900.79	83,745.67
OVERHEAD EXPENSES		
Advertising	36.56	1,292.50
Amortisation	1,233.33	0.00
Audit Fees	396.00	396.00
Bank Charges	25.00	60.00
Booking Fees - Subscriptions	2,534.00	1,193.00
Credit Card Charges	652.00	1,377.00
Depreciation	10.51	13.14
Films & Village Hire	83,380.00	70,563.50
Filing Fees	51.20	0.00
Functions	4,472.30	4,600.00
Gifts & Presentations	441.25	252.85
Insurances	14.00	14.00
Newsreel	2,681.84	5,164.40
Postage	2,861.40	1,551.11
Printing and Stationery	1,580.87	661.26
Slides	0.00	15.00
Subscriptions	120.00	120.00
Sundry Expenses	183.18	50.00
Website Maintenance	905.00	110.00
TOTAL OVERHEAD EXPENSES	(101,578.44)	(87,433.76)
NET LOSS	(7,677.65)	(3,688.09)

Launceston Film Society
 Incorporated
 ABN 80172678641
Balance Sheet
 As at 30 November 2009

	This Year \$	Last Year \$
CURRENT ASSETS		
Cash at Bank	90,256.64	822.10
Cash Management Account	79,744.69	89,340.94
Prepayments	<u>2,427.90</u>	<u>0.00</u>
TOTAL CURRENT ASSETS	172,429.23	90,163.04
NON CURRENT ASSETS		
Plant and Equipment	1,819.19	1,819.19
Less Accumulated Depreciation	<u>(1,777.14)</u>	<u>(1,766.63)</u>
	42.05	52.56
Capitalised Expenditure - Smartcard	14,800.00	0.00
Less Accumulated Amortisation	<u>(1,233.33)</u>	<u>0.00</u>
	13,566.67	0.00
TOTAL NON CURRENT ASSETS	13,608.72	52.56
TOTAL ASSETS	<u>186,037.95</u>	<u>90,215.60</u>
CURRENT LIABILITIES		
Trade Creditors	11,100.00	0.00
Subscriptions Prepaid	<u>92,400.00</u>	<u>0.00</u>
TOTAL CURRENT LIABILITIES	103,500.00	0.00
TOTAL LIABILITIES	<u>103,500.00</u>	<u>0.00</u>
NET ASSETS	<u>82,537.95</u>	<u>90,215.60</u>
EQUITY		
Members Funds	98,840.07	98,840.07
Retained Earnings	<u>(16,302.12)</u>	<u>(8,624.47)</u>
TOTAL EQUITY	<u>82,537.95</u>	<u>90,215.60</u>

Appendix 3: February 2010 Member Survey Results

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A	Rating Average	Response Count
1. I am satisfied with the range of films shown by the Launceston Film Society	1.6% (8)	16.2% (79)	10.9% (53)	49.1% (239)	19.3% (94)	2.9% (14)	3.70	487
2. I would appreciate fewer films with sub-titles to be shown by the LFS	30.0% (147)	35.3% (173)	22.9% (112)	7.3% (36)	3.3% (16)	1.2% (6)	2.18	490
3. I would buy a guest membership if it was available	6.7% (33)	16.6% (81)	30.7% (150)	21.7% (106)	16.0% (78)	8.4% (41)	3.26	489
4. LFS should continue hosting evenings where members can vote on recent LFS films that they liked and did not like	1.6% (8)	4.1% (20)	27.0% (132)	40.3% (197)	26.0% (127)	1.0% (5)	3.86	489
5. LFS should offer cinema appreciation sessions linked to LFS film showings	2.7% (13)	12.4% (60)	39.8% (193)	33.2% (161)	8.2% (40)	3.7% (18)	3.33	485
6. An LFS screening at 9 pm on Tuesdays would be beneficial	9.2% (45)	22.7% (111)	37.7% (184)	17.2% (84)	10.0% (49)	3.1% (15)	2.96	488
7. LFS should organise informal discussions over a meal after LFS film showings	5.3% (26)	24.1% (117)	46.7% (227)	16.0% (78)	5.3% (26)	2.5% (12)	2.92	486
8. LFS should run an annual film festival	1.5% (7)	9.3% (45)	20.3% (98)	39.8% (192)	26.6% (128)	2.5% (12)	3.83	482
9. The LFS membership fee is value for money	1.2% (6)	4.9% (24)	6.8% (33)	41.0% (199)	42.9% (208)	3.1% (15)	4.23	485

