



Operational expenditure of the project LF2018

General

Chapter III 'organization and finance' (pages 96 and 97) of the bid book provides a detailed description of the operational expenditure of the LF2018 project. The operational expenditure of the LF2018 project for the years 2012-2019 is shown below.

Income

Total revenues of €104.6 million were generated. In its role as a management organisation, LF2018 generated €48.3 million in revenues. With this contribution, the events in the main programme generated an additional amount of €56.3 million. The bid book envisaged revenues of €74.3 million.

The increase of €30.3 million compared to the bid book is almost entirely due to the private sector, which was €28.8 million higher than originally envisaged, mainly due to ticket revenues and private funds.

The contribution from the public sector is €1.5 million higher than expected, mainly due to higher contributions from the European Union, the Municipality of Leeuwarden and the provincial authority. Regional contributions are lower than expected.

See tables 7 and 8 in the Annex for further explanations (in keeping with the tables in the bid book for comparison purposes).

The contribution from the province of Friesland and the municipality of Leeuwarden as the initiator of LF2018 therefore acted as a lever to generate 3.5 times more revenue (bid book: 2.7 x).

Incidentally, the total revenue from the LF2018 project is expected to be much higher because the above figures do not include the *Mienskip* programme.

Expenditure

The higher revenues went almost in their entirety to the programme budget and were €31.1 million higher than envisaged in the bid book. In addition, extra investments were made in marketing (€1 million). The costs for the organisation, monitoring and evaluation and legacy are €0.5 million higher than originally intended.

See table 9 in the Annex for a further explanation (in keeping with the tables in the bid book for comparison purposes).

Based on the (creditor) payments of foundation LF2018, it appears that 72% of the expenses of foundation LF2018 are spent in Friesland, 24% in the Netherlands and 4% abroad. Based on the structure and the nature of the events in the main programme, our impression is that this percentage is representative for the entire project LF2018.

Sources

This overview has been compiled using the following methods:

- Bid book LF2018 (July 2013)
- Audited financial statements 2014 to 2017 of foundation LF2018
- Draft 2018 annual figures of foundation LF2018 as included in Q4 report 2018
- Budget 2019 of the LF2018 foundation

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Leeuwarden
Fryslân
2018

Culturele
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- The proceeds realised by the events (funds, sponsors, ticket sales, catering etc.) are derived from the survey as completed at the events of the main programme
- The regional contribution is based on a statement from the municipalities in Friesland and activities charged by the foundation to authorities in Friesland (e.g. (regional) marketing) and corrected for double counting of revenues at events from the main programme

Annex: tables according to bid book

bidbook versus realisatie (blz 96 en 97 van het bidbook)				
	bidbook	realisatie	verschil	
total expenditure in the budget (tabel 6)	€ 74.330.000	€ 104.605.443	€ 30.275.443	41%
toelichting: uitgaven zijn hoger door hogere inkomsten, in tabel 7 en 8 wordt dit nader toegelicht				
totale income in the the budget (tabel 7)				
from the public sector	€ 52.330.000	€ 53.821.995	€ 1.491.995	3%
from the private sector	€ 22.000.000	€ 50.783.448	€ 28.783.448	131%
	€ 74.330.000	€ 104.605.443	€ 30.275.443	41%
toelichting: bijdrage van de publieke sector is hoger dan oorspronkelijk gedacht, in tabel 8 wordt dit nader toegelicht de bijdrage van de private sector is bijna 29 mln. hoger dan oorspronkelijk beoogd, vooral de opbrengst uit hoofde van kaartverkoop en fondsen zoals die door de events zijn gerealiseerd zijn hoger dan oorspronkelijk gedacht				
income form the public sector (tabel 8)				
national government	€ 7.500.000	€ 6.400.000	€ -1.100.000	-15%
city	€ 5.950.000	€ 8.275.000	€ 2.325.000	39%
region	€ 20.800.000	€ 21.740.000	€ 940.000	5%
EU	€ 2.500.000	€ 5.768.848	€ 3.268.848	131%
transnational / other cities in the region	€ 11.580.000	€ 6.539.043	€ -5.040.957	-44%
indirect funding (inkind)	€ 4.000.000	€ 5.099.104	€ 1.099.104	27%
	€ 52.330.000	€ 53.821.995	€ 1.491.995	3%
toelichting: de bijdrage van de publieke sector is vooral hoger door Europese subsidies en extra bijdrages van de provincie Fryslan, gemeente Leeuwarden en inkind bijdrages. De bijdrage van het Rijk is lager dan verwacht door de BTW, dit is gecompenseerd door de provincie Fryslân en gemeente Leeuwarden. De regiobijdrage is 5 mln. lager dan verwacht				
operating expenditure (tabel 9)				
programme expenditure	€ 53.614.000	€ 84.747.385	€ 31.133.385	58%
promotion and marketing	€ 11.179.000	€ 12.218.380	€ 1.039.380	9%
wages, overhead, administration	€ 7.039.000	€ 7.543.148	€ 504.148	7%
other reserve	€ 2.498.000	€ 96.530	€ -2.401.470	-96%
	€ 74.330.000	€ 104.605.443	€ 30.275.443	41%
toelichting: de hogere opbrengsten zijn bijna volledig ten goede gekomen aan het programmabudget. Daarnaast is extra geïnvesteerd in marketing De post onvoorzien ('other reserve') is ingezet ter dekking van de onzekere inkomsten. Het bedrag van 97k is het verwachte positieve resultaat obv concept cijfers begin januari 2019				