

# FINANCE MANAGERS MEETING

WEDNESDAY 10 MAY 2006, 10.30am – 3pm  
CAVERSHAM ROOM, CADOGAN HALL, LONDON



Chaired by Stephen Maddock *Chief Executive, City of Birmingham Symphony Orchestra*

## A G E N D A

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Stephen Maddock, *Chief Executive, City of Birmingham Symphony* welcomed attendees and began the introductions.

### National Insurance

Russell Jones, *Director, Association of British Orchestras* updated the meeting with the National Insurance situation. Conductors and soloists were falling outside the Class 1 NIC. Contracts drawn up with artists should state one figure, not a list of the components. Payments to extra players had not yet been defined. The agreement from the Inland Revenue had not yet been given on players. The ABO board was aiming to confirm conductors and soloists as a first priority and would be retaining the political lobbyist for future use. The current political goodwill was favouring orchestras.

If action was taken the Inland Revenue would only aim to recover 10% of the backdated pay. The 'ability to pay' argument would be used. The ABO guideline would be that individual orchestras would make their own decision at board/trustee level. It was the impression that no one was making a provision to pay in their 2006/07 budget.

Anna Rowe, *Orchestra of the Age of Enlightenment*, stated that they had built up reserves which could be used for this purpose. The OAE was one of ten orchestras that had been asked by the Arts Council of England to produce figures of the impact of the NIC issue.

The general discussion did then conclude that many orchestras had included a NIC payment in their contingent liability.

### VAT – group discussion on latest experiences

Andrea Keaveney, *Royal Liverpool Philharmonic*, updated the group on the issue that the VAT inspectors had been very interested in 'cultural exemption'. The RLPO have got paid board members and the inspectors were awaiting the outcome of the Bournemouth case.

The cultural exemption ruling from 18 months ago involved the ability to include VAT on ticket prices and other costs.

Valerie Hawkin, *Halle orchestra*, stated that all paid directors had been removed from the board. Stephen Maddock, *CBSO*, had been granted exemption, but in their case their board consisted of players but no other paid trustees.

The Bournemouth case was going to the Court of Appeal on the 28/29 April 2006.

Anna Rowe, *Orchestra of the Age of Enlightenment*, had a high level individual donor (more than £3000) and had been asked by the Inland Revenue to put the financial value against the benefits that the donor received (i.e. newsletters, interval drinks, etc). It was still possible to give up to 2 ½ % away still qualify as Gift Aid.

Cameron Poole, *London Philharmonic Orchestra*, reported that they do not have to pay VAT on high level donations and Ivan, Brighton Philharmonic reported that their benefits are non-VATable.

Judith Patrickson, Scottish Opera, stated that their Gala dinner had received donations that they did not pay VAT on, but they had had to pay VAT on the ticket price.

## **Charities SORP**

Richard Weaver, *Charities Partner, haysmacintyre*, reported on the Charities Statement of Recommended Practice, which was effective from April 2005. The SORP was issued every five years.

Richard's presentation would be available for download from the ABO website. For any queries Richard could be contacted at haysmacintyre on 020 7969 5567.

The Charities Commission website had five examples of SORP, but these were not recommended by Richards.

A report on progress would be issued in the Spring of 2007. There would be no guidance provided by the ABO.

## **ABO Conference 2007**

Russell Jones, *Association of British Orchestras*, updated the meeting with the dates for the 2007 conference : 18 – 20 January in Manchester. The key themes would be Technology, Marketing and Business Models. There would also be professional development opportunities in the form of taster Management Academy sessions.

Russell also updated the group regarding the Management Academy, which was due to start in September 2006. This would be aimed at Chief Executive/senior management level and be tutored by an HE professional (Ian Hornby, ex-Arts & Business). There would be six modules, twelve participants and be accredited by the Chartered Management Institute. Any interested parties should contact Joanna Morrison Mayo, ABO Projects Manager.

## **AOB**

The next spending review was due to be announced in mid 2007, and would affect the spending for 2008/9/10. The orchestral advocacy campaign would work on addressing this.

**DATE OF NEXT MEETING TO BE CONFIRMED**