

FINANCE MANAGERS MEETING

WEDNESDAY 05 NOVEMBER 2003, 10.30 – 4pm
THAMES PAVILLION, ROYAL FESTIVAL HALL, LONDON

Chaired by Cathy Graham *General Manager, London Sinfonietta*



A G E N D A

As we do not have a guest speaker on this occasion, the meeting may not run until 3.30pm, although it may decide that discussions from the morning run throughout or after lunch.

10.30am *Tea / coffee available*

11.00am Introduction of Holiday Pay in the ABO / MU Agreement 2003

Update on the PRS Issue

Cultural VAT. Has anyone had any successful claims?

Gift Aid and Friends schemes.

DMT. Jenny French will lead a discussion of the future of the package and alternatives.

ABO Conference 2004
National Orchestral Festival

1.00pm *Lunch*

2.00pm Continuation of Morning's Discussion

3.15pm AOB

Next Meeting: 19th May 2004

3.30pm Meeting ends

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A T T E N D A N C E

Jenny	French	Academy of St Martin in the Fields	Finance Manager
Rebecca	Guest	Association of British Orchestras	Membership Services Manager
Russell	Jones	Association of British Orchestras	Director
Andrew	Gambrell	London Philharmonic Orchestra	General Manager and Finance Director
Charles	Snailham	London Symphony Orchestra	Director of Finance
Anna	Rowe	Orchestra of the Age of Enlightenment	Director of Finance
Heather	Baxter	Orchestra of the Royal Opera House	Financial Controller - Orchestra
Charles	Tait	Philharmonia Orchestra	Finance Director
Richard	Huxtable	Royal Philharmonic Orchestra	Director of Finance
Jenny	Black	Royal Scottish National Orchestra	Head of Finance
Simon	Neal	The Sixteen	Business Manager
Mary	Hawthorne	VIVA: the ORCHESTRA of the east midlands	Finance Officer

Apologies

Elaine	Baines	City of London Sinfonia	Administrator
Carolyn	Collard	Glyndebourne Productions Ltd	Finance Manager
Val	Hawkin	Hallé Orchestra	Finance Director
Les	McConachie	Scottish Chamber Orchestra	Finance Director

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R E P O R T

Introduction to Holiday Pay

Russell Jones outlined the agreement with the MU regarding Holiday Pay that was introduced in the ABO / MU Agreement for 2003, which the MU had been very pragmatic about. Members then discussed the ways in which they intended to implement the changes. **Richard Huxtable, RPO** raised the issue of how it will effect a charity's constitution, which can detail that members are paid for services rendered and if it is a holiday then no services are rendered and by implication no payment is due.

PRS Update

Russell Jones updated the meeting on the progress of the case, which looked likely to go to tribunal with a possible ruling in March. ABCP had formerly requested ABO members to contribute to the costs and he had emailed Chief Executives regarding this. There were attempts to get the popular music tariff promoters to support the case. There is a forthcoming meeting regarding a movement towards reconciliation as the issue is badly damaging relationships across the industry and ABCP would be looking at a 10 – 15 year settlement. The recent PRSF grant received by ABO towards the new music strand at the Annual Conference was encouraging and a reconciliation process with composers and publishers will hopefully begin in January.

Cultural VAT

Jenny Black, RSNO informed the meeting of the progress of their current claim and a general discussion of the issue and members' experiences followed. **Charles Tait, Philharmonia** had been told that it was possible to claim for 2003 but to claim for 1999 – 2000 they needed proof they were not made aware of the issue before 1997. Other members also commented on the need for evidence to support their claims. There was general agreement that this was an important issue and the legal developments needed to be monitored.

Action: ABO to find out if it was mentioned in a newsletter before 1998. ABO to request the VAT helpline monitors the situation and keeps members informed about developments through Update.

Gift Aid and Friends Schemes

Jenny French, ASMF asked the meeting if any members had experience of claiming Gift Aid against Friends schemes. **Anna Rowe, OAE** had written to the Inland Revenue about this and was sent guidance on it, which she is happy to copy to members. The main issue was the 'value' of the services you provided to Friends and what portion of the fee would incur VAT. The wording of the Friends scheme literature was important in this.

Action: ABO to request copy of guidance from OAE and distribute to members

DMT

Jenny French, ASMF expressed concern that DMT was no longer being supported properly as the person who ran the support had been ill. She has found someone who would tailor make software for them, but needed a minimum of three orchestras to express interest / commit to the project for a demonstration to be made. Various members had moved to using the OPAS system, which once up and running seemed to

be reasonable and support was improving. The main problem had always been that members run very differently and it is difficult for programmers to create an industry standard. SCO were interested in the idea and **Mary Hawthorne, ViVA** also expressed interest.

Action: Jenny French to look into a demonstration and inform ABO of progress.

ABO Conference

ABO requested if there were any financial subjects that members would like addressed at the Annual Conference. **Charles Tait, Philharmonia** suggested a session from an authority on tax issues would be very useful.

AOB

Foreign withholding tax (Charles Tait, Philharmonia)

The difficulties of the variations in the system were discussed. **Cathy Graham, London Sinfonietta** had a clarification that players can only claim back 22%, regardless of the level of withholding tax and had found it necessary to adjust budgets accordingly.

Action: Russell Jones to raise the issue at the next PEARLE meeting and circulate any PEARLE information.

Congestion Charge (Cathy Graham, London Sinfonietta)

Had anyone done costings on the payment of congestion charge? Few members had calculated exact costs but it was estimated to cost LSO £15k a year. There was agreement that the Portage payment recognised the costs paid if you had to drive and most London members had agreed not to consider paying it. **Jenny Black, RSNO** suggested that the Inland Revenue argument that a contribution to the charge is a benefit may be useful.

VAT (Charles Snailham, LSO)

The meeting was asked if there would be support for a lobby to remove charities from the VAT net completely. This would be of great benefit to LSO in terms of cost and the invisible administration VAT created. There was general agreement that this would be very useful.

Action: ABO to speak to the NCA and NCVO about the issue prior to the next Government spending round.

Payment of Trustees (Richard Huxtable, RPO)

RPO were corresponding with the Charities Commission regarding the payment of trustees who were players, as this had suddenly been picked up on. The Commission said this was not allowed, but Charles Russell argued that it was. It is a constitutional problem and it needed to be made clear if players were party to decisions on what they were paid. Various members had also encountered this issue and requested to be kept up to date on developments.

Action: RPO / ABO to update members on progress at the next meeting.

Date of next meeting: 19 May 2004