

OTR1.2 - Sample Calculation

This spreadsheet is an example calculation, to show some of the headings and factors you might need to consider as you're trying to decide whether OTR is for you.

However, please note: there is no hard and fast rule to say how you apportion costs between rehearsal/production costs and performance costs

HMRC only says that apportionment needs to be 'just and reasonable'. Please also note that when making a claim you will have to show your reasoning behind the way you decide to apportion costs.

	Totals	Non-qualifying/excluded	Qualifying	Comments/apportionment
Concert A				
Conductor	£1,000.00	£200.00	£800.00	Apportionment: 8 rehearsals @£100 (£800 total) and Performance @ £200 = £800 qualifies as rehearsal costs
Rehearsal venue hire	£1,500.00	£0.00	£1,500.00	All costs qualify as rehearsal only
Performance Venue Hire	£800.00	£400.00	£400.00	Apportionment: 4 hours for final rehearsal, 4 hours for performance - 50% apportioned as qualifying
Soloist	£1,500.00	£500.00	£1,000.00	Apportionment: flat fee of £1,500 - 12 hours in total; calculated at 8 hours (66%) rehearsal and 4 hours (33%) performance. 66% of fee apportioned as qualifying
Rehearsal Refreshments	£56.00	£0.00	£56.00	All costs qualify as rehearsal only
Equipment Hire/staging	£890.00	£445.00	£445.00	Apportionment: 4 hours for final rehearsal, 4 hours for performance - 50% apportioned as qualifying
Music Hire	£334.00	£37.12	£296.88	Apportionment: 8 Rehearsals and 1 performance - 8/9ths of cost qualify
Refreshments for sale at performance	£50.00	£50.00	£0.00	Does not qualify as relates to performance only
PRS	£154.00	£154.00	£0.00	Does not qualify as relates to performance only
Poster Printing	£80.00	£80.00	£0.00	Does not qualify as marketing costs
Leaflet printing	£40.00	£40.00	£0.00	Does not qualify as marketing costs
Programme Printing	£60.00	£60.00	£0.00	Does not qualify as relates to performance only
Sub total	£6,464.00	£1,966.12	£4,497.88	

Concert B				
Conductor	£750.00	£127.50	£622.50	Apportionment: flat fee of £750 - 12 hours in total; calculated at 10 hours (83%) rehearsal and 2 hours (17%) performance. 83% of fee apportioned as qualifying
Rehearsal venue hire:	£800.00	£0.00	£800.00	All costs qualify as rehearsal only
Performance Venue Hire	£700.00	£350.00	£350.00	Apportionment: 4 hours for final rehearsal, 4 hours for performance - 50% apportioned as qualifying
Musician Costs	£720.00	£400.00	£320.00	Apportionment: 4 percussionists each paid £80 for rehearsal and £100 for final performance - 4 x £80 qualifies
Piano Hire	£600.00	£300.00	£300.00	Hired for 2 days - 4 hour final rehearsal, 4 hours performance - 50% apportioned as qualifying
Piano insurance	£26.00	£13.00	£13.00	Hired for 2 days - 4 hour final rehearsal, 4 hours performance - 50% apportioned as qualifying
Music Hire	£138.00	£23.00	£115.00	Apportionment: 5 Rehearsals and 1 performance - 5/6ths of cost qualify
Rehearsal Refreshments	£42.00	£42.00	£0.00	All costs qualify as rehearsal only
PRS	£26.00	£26.00	£0.00	No Invoice recorded
Poster Printing	£40.00	£40.00	£0.00	Does not qualify as marketing costs
Programme Printing	£30.00	£30.00	£0.00	Does not qualify as relates to performance only
Sub total	£3,872.00	£1,351.50	£2,520.50	

Concert C				
Conductor	£1,100.00	£200.00	£900.00	Apportionment: 9 rehearsals @ £100 (£900 total) and performance @ £200 = £900 qualifies as rehearsal costs
Rehearsal venue hire	£1,500.00	£0.00	£1,500.00	All costs qualify as rehearsal only
Performance Venue Hire	£800.00	£400.00	£400.00	Apportionment: 4 hours for final rehearsal, 4 hours for performance - 50% apportioned as qualifying
Soloist	£1,500.00	£500.00	£1,000.00	Apportionment: flat fee of £1,500 - 12 hours in total; calculated at 8 hours (66%) rehearsal and 4 hours (33%) performance. 66% of fee apportioned as qualifying
Rehearsal Refreshments	£62.00	£0.00	£62.00	All costs qualify as rehearsal only
Equipment Hire/staging	£890.00	£445.00	£445.00	Apportionment: 4 hours for final rehearsal, 4 hours for performance - 50% apportioned as qualifying
Music Hire	£220.00	£22.00	£198.00	Apportionment: 9 Rehearsals and 1 performance - 9/10ths of cost qualify
Refreshments for sale at performance	£50.00	£50.00	£0.00	Does not qualify as relates to performance only
PRS	£154.00	£154.00	£0.00	Does not qualify as relates to performance only
Poster Printing	£80.00	£80.00	£0.00	Does not qualify as marketing costs
Advert in paper	£50.00	£50.00	£0.00	Does not qualify as marketing costs
Programme Printing	£60.00	£60.00	£0.00	Does not qualify as relates to performance only
Sub total	£6,466.00	£1,961.00	£4,505.00	

Calculation	
Total qualifying costs for 3 concerts	£11,523.38
Eligible expenditure (80% of qualifying costs)	£9,218.70
OTR payment (45% of eligible expenditure)	£4,148.42
Costs incurred in claiming OTR	
Making Music OTR service fee	-£497.81
Bank account fees	-£60.00
Yearly fee to Companies House	-£34.00
Overall gain	£3,556.61

12% of OTR payment

This is an typical annual cots - fees vary depending on the bank

This is a mandatory cost when running a company