

EDEN Hultsfred festival suffered an audience drop for the second year in June, after eight bands cancelled at the last minute. Among acts who pulled out was Saturday headliner Pink. Although 25,000 tickets were sold for the 30,000-capacity event, which featured Radiohead, Stereophonics and Glasvegas, promoter Gunnar Bergman says, "It was very disappointing - each band had its reasons, but it really slowed sales in the last two weeks."

SWITZERLAND European festival association Yourope has opened a new base at the offices of OpenAir St Gallen, run by festival director Christof Huber. Yourope is investing more money into its office structure, so it can improve the effectiveness of the organisation's work across Europe," he says. Founded in 1998, the association comprises 10 rock and pop festivals from 30 European countries.

USA Ian Noble has joined Metropolitan Talent as senior producer overseeing all of the company's concert activity. Canadian-born Noble had previously worked for Concert Productions International in Toronto, Delsenr/Slater Enterprises and WestBeth Entertainment in New York and, more recently, Jack Utsick Presents in New York.

AUSTRALIA Venue owners, musicians and their supporters demonstrated in front of Parliament House in Adelaide this month. They were protesting that new Workcover regulations are threatening live music in the city. Venue owners were being classified as employers responsible for the tax and pension payments of artistes when a fee is paid. It is claimed that some venues had already stopped live music and others had scaled back.

"Catastrophe" hits UK promoting and production world

UNITED KINGDOM The promoting and production industry has been hit by a bombshell after one of the UK's top three promoters, Triple A Entertainment, was put into administration with debts of £5million.

One creditor, still coming to terms with the implications, says the company's collapse is "an absolute catastrophe" for the country's production industry, which will form the bulk of creditors, with others likely to include venues, ticket agencies and promoting partners.

Triple A (TA) directors say the company was brought down by a deal to promote the *Star Trek* exhibition in London's Hyde Park earlier this year. The event sold less than half the 250,000 tickets it needed to break-even and left TA with debts it had no hope of paying.

TA director Dennis Arnold claims the company is owed around £4.5m (\$7.3m) by the show's producers, Martin Biallas and Special Entertainment Events Inc (SEE) in Los Angeles, after, says Arnold, SEE's anticipated funding for the exhibition failed to materialise. In turn TA owes its own creditors around £5m (\$8.15m).

Speaking exclusively to *Audience*, Arnold says, "We could have covered our loss on the show, but we paid out

money on his behalf and finished up stuck with that, as well as his share of the loss. We've been trying for months to keep Triple A going and get funding to look after the suppliers."

However, Biallas emphatically denies Arnold's claims. He tells *Audience*, "They approached us to do the show a year-and-a-half ago. We licenced the product to Triple A to promote for a guarantee plus a profit share. We are show producers, not promoters.

"They are now claiming the profit share was also a loss-share. Saying we owe £4.5m is just garbage - it is certainly not that," says Biallas.

He accepts that his company may owe part of the initial show refurbishment costs, but says he has only just received the final accounting from TA. "If we had been sharing the loss, then I would have told them to stop at the end of January, but it was not discussed and the show ran on," says Biallas.

In a move which surprised some observers, TA administrator BDO Stoy Hayward obtained court approval to

sell ongoing tour and concert assets, involving artistes such as Westlife, Blue, Blondie and Daniel Bedingfield, to a new company, 3A, formed by TA's directors and backed by US promoter Jack Utsick.

BDO's Tony Supperstone tells *Audience*, "We made a fully transparent application to the court which showed that assets such as tours and concerts would be lost if the directors did not continue to manage them." He declined to reveal what

3A paid for the assets and creditors may have to wait months to find out.

Among casualties of TA's collapse was the six-concert Route of Kings series, also held in Hyde Park. Shows by artistes such as Simply Red, Yes and Roxy Music were cancelled after the 18,000-capacity site's owner, Royal Parks, pulled out when TA failed to pay site rental fees. This effectively pushed TA over the edge.

The *Star Trek* exhibition comprises £20m (\$30m) worth of the TV show's memorabilia and sets and was the biggest event of its kind held in Hyde Park since 1851. TA's demise is also the biggest company failure UK live music has seen and, as another creditor says, "It's an earthquake of monumental proportions and the repercussions will reverberate through this business for many years".



Triple A's Dennis Arnold

“ It's an earthquake of monumental proportions ”

Victory for justice in Euro tax challenge

EUROPE It sounds like a fairy story, 'once upon a time a little-known Dutch jazz drummer, together with two music-loving accountant friends, took on the might of the German tax system and won'.

But it's true and the Arnoud Gerritse test case against Germany's hefty withholding tax on foreign artistes has been ruled unlawful by the European Court of Justice (EJ). The financial implications for the live music industry are immense.

The victory achieved by tax specialists Dick Molenaar of All Arts Tax Advisors in the Netherlands and Dr Harald Grams of Grams and Partner in Germany will affect every EU member country, except the Netherlands and UK (which already allow cost deductions before tax).

"Germany has yet to formally accept the ruling, but we

are sure it will," Molenaar tells *Audience*. "Then it will take people in the other countries to press their governments to comply."

The EUJ ruling means that foreign artistes working in any EU country are entitled to deduct production costs from income before tax is charged and they can only be taxed at a country's normal rate, which was not the case in Germany. Claims for tax refunds going back at least three years will also be possible.

In the next issue, *Audience* takes a detailed look at the Arnoud Gerritse case, how Molenaar and Grams achieved justice and the implications for live music across Europe.



Dick Molenaar