



Plummer Parsons
Chartered Accountants

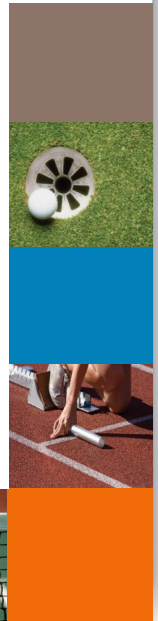
Community Amateur Sports Club Scheme (CASC)

THE CASC SCHEME & WHAT IT MEANS FOR YOUR GOLF CLUB

Knighton Heath Golf Club – 9th September 2014

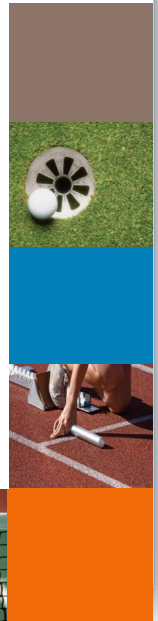
Speaker:

Neville Beckhurst – Sports Division Director, Plummer Parsons Sports



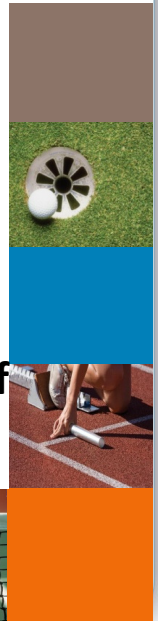
CASC HISTORY

- Established in 2002 by Sport England, Central Council of Physical Recreation (Now Sports & Recreation Alliance) & Government.
- Scheme set up to recognise valuable role sports clubs have in their local communities.
- The 2003 Local Government Act enabled registered CASCs to claim 80 percent mandatory rate relief on business rates providing CASCs “parity with charity” from April 2004. Local authorities can grant an additional 20 percent rate relief to clubs at their discretion.
- In 2004, the threshold for exemption from corporation tax on trading and rental income were raised. Further increases have been suggested.



CASC FACTS

- 6,571 sports clubs now registered with the scheme throughout the UK.
- The total amount of estimated savings for sports clubs under the CASC scheme is £125m since 2002.
- 471 CASC registered golf clubs as at 31 January 2012 which represents approximately 35% of all eligible golf clubs that could register.
- Main benefits include 80% off business rates, exemptions from some types of tax and the use of Gift Aid.
- Estimated that £100m per year is lost by sports clubs not registered and also clubs that are registered but not using Gift Aid.
- **England Golf state that they have not heard any negative comments from golf clubs in the scheme since its introduction in 2002.**



CLUB COMMENTS ON CASC REGISTRATION

Question 28: CASC CLUBS ONLY - Have you experienced any interference in the day-to-day running of your club from any national or local authority or other. 100% replied No

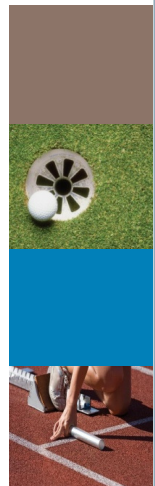
Question 29: CASC CLUBS ONLY - Have you experienced any interference in the way you induct new members into the club from any national or local authority. 100% replied No

Other Club Comments;

I HAVE NOT HEARD ONE ARGUMENT AGAINST IT THAT IS NOT
FOUNDED ON FEAR OR IGNORANCE

If we had not registered as a CASC we would not exist as we could
not afford to pay the full Rate Charge

No problems experienced but substantial financial savings that enable
the continuation of the playing of the game.



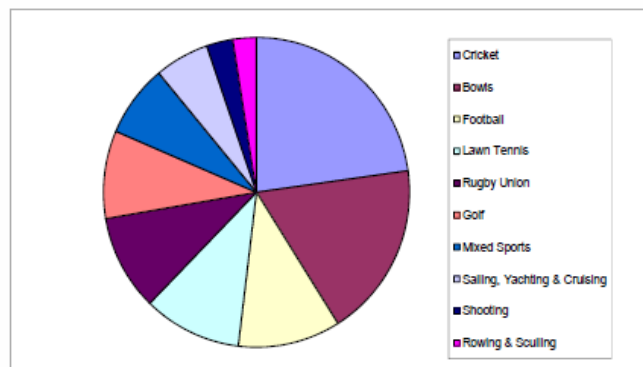
Deloitte.

Monthly Analysis of Community Amateur Sports Club Registrations Month Ended 31 December 2010

TOP TEN SPORTS

	Registered CASCs
1 Cricket	1137
2 Bowls	913
3 Football	541
4 Lawn Tennis	518
5 Rugby Union	499
6 Golf	457
7 Mixed Sports	376
8 Sailing, Yachting & Cruising	287
9 Shooting	139
10 Rowing & Sculling	124
	<u>4,991</u>

275+ Clubs registered from the
1,000 eligible in England



Registered CASCs serving the top ten 'sports' include 4,991 out of the 5,870 registered clubs

CURRENT CASC BENEFITS SUMMARY

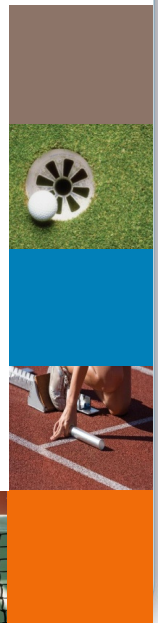
- **80% mandatory business rate relief.**
- **The ability to raise funds from individuals under Gift Aid.** A registered CASC can reclaim **£25 in tax for every £100 donated.** Additional higher rate tax relief for donors.
- Community Amateur Sports Clubs are **exempt from Corporation Tax on profits derived from trading activities** if their **trading income is under £50,000 pa.**
- Profits derived from rental **property income** are also exempt for Community Amateur Sports Clubs **if gross property income is under £30,000 pa.**
- **Exemption** from corporation tax on **interest received and chargeable gains.**



WHAT CHANGES ARE NECESSARY?

To become a CASC, clubs must adjust their constitution/rules to:

- state that it will not discriminate in any way and be wholly open to all sections of the community.
- Be non profit making and reinvest any profits in the golf club.
- Stipulate that in the event of being wound up, any remaining assets be distributed to either the sports governing body, another CASC or a sports related charity.
- Appeals procedure to be put in place for any members membership that is removed.
- New members – proposers/seconders and the display of new members details on the notice board are not allowed.



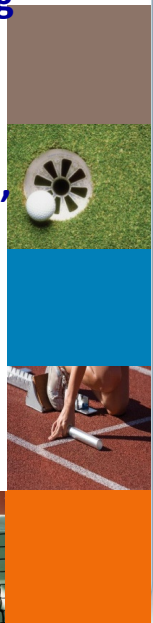
COMMON MISCONCEPTIONS OF THE SCHEME

1. 'Open to all' means club has to open the doors to everyone in local community and loss of private members club status.

Club currently provides top golfing facilities for the local community and complies with the England Golf Equality Act guidelines.

It is acceptable for a club to have rules excluding from membership anyone behaving in a manner inappropriate to the game, where the membership of the person concerned would be likely to be contrary to the best interests of the game or the good conduct and interests of the club. Such rules may be exercised by, for example, requiring new members to serve a brief informal probationary period or setting up an appeals committee for anyone refused membership.

Day to day running of the club will not change with no interference from the local authority.



COMMON MISCONCEPTIONS OF THE SCHEME

2. Fees have to be set at a level that does not pose a significant obstacle to membership or use of the club's facilities?

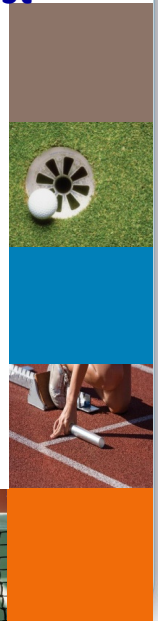
HMRC would not want a club to lower its fees if it resulted in the club running at a loss.

Subscriptions generally should be in line with other clubs in the area. Clubs that charge more than £520 a year must make special provisions for members on a low or modest income to participate for £520 or less, subject to an upper membership of £1,612.

To make it more affordable clubs should allow for payment to be made over 12 months.

Club have lower fees for juniors and stagger subscriptions for ages 18-30.

New guidelines set to be introduced by HMRC CASC Unit for consultation.



COMMON MISCONCEPTIONS OF THE SCHEME

3. The amount of saving to our club sounds too good to be true/mistrust of Government.

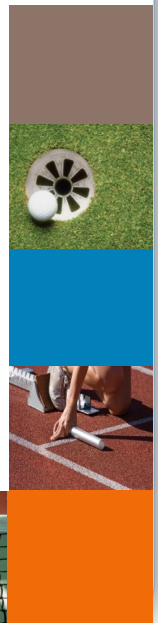
The total amount saved since 2002 is estimated at £125m. Amount provided via scheme to sports clubs each year is very small compared to that of charities.

Charities benefit by £1bn per year and obesity costs NHS approximately £4bn a year.

Government has commitment to ensure children have access to 5 hours a week community sports.

Scheme has cross party support.

6,571 sports clubs now registered with scheme.



COMMON MISCONCEPTIONS OF THE SCHEME

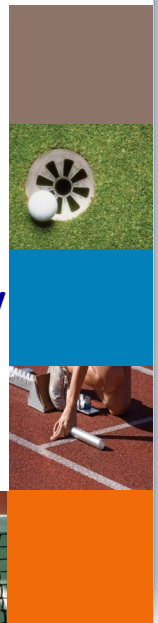
4. Once a CASC always a CASC.

There is no option to de-register however once the constitution has been updated there would be no need for clubs to consider de-registering.

Unlikely benefits would be changed to make it not advantageous to be in the scheme.

Why would members not want the club to join the scheme? We view members as custodians of the club and savings will enable the reinvesting of monies into improving the club.

Member numbers across England Golf clubs are generally declining, therefore surely more of a reason to look to local community to increase membership.



COMMON MISCONCEPTIONS OF THE SCHEME

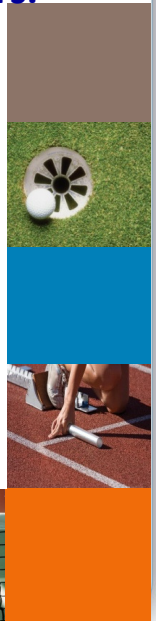
5. Losing control of our assets/loss of sovereignty?

There is no loss on control of the club's assets, they continue to remain the property of the club and would remain on the balance sheet.

All CASC clubs have to have a dissolution clause which states that if the club ever ceased to trade then any proceeds from the asset sales cannot be passed to members.

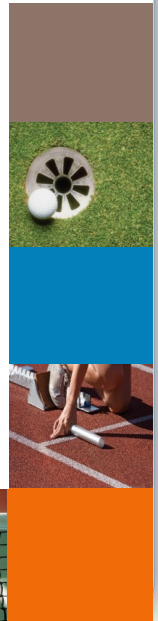
The proceeds can either be used to form another club without any capital gains tax liability or can be passed onto a CASC, charity or the National Governing Body.

The club once registered are still able to use the land as they see fit and have no obligations on the use of this from the local authority.



CASC REGISTRATION PROCESS

- Clubs are required to send in their constitution, latest set of financial accounts and recent bank statements to HMRC CASC dept.
- New registration form recently issued by HMRC which is more detailed in the information needed.
- Constitution should be reviewed to see what changes are required first.
- Can take 2-3 months to get a response from HMRC once application sent in!
- Any constitution changes necessary must be agreed by club members before registration is granted.
- Once registration achieved clubs can contact local council for rates relief and start claiming Gift Aid.
- **Once registration granted no other contact with HMRC other than the usual annual corporation tax return requirements.**

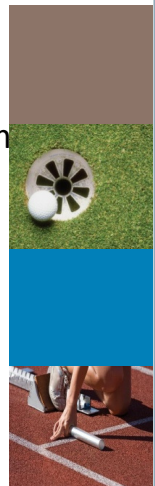


CASC POST CONSULTATION CHANGES - GOLF RELATED

- Clubs that charge more than £520 a year must make special provisions for members on a low or modest income to participate for £520 or less, subject to an upper membership fee threshold of £1,612.
- At least 50 per cent of a club's members must be participating (sporting) members.
- A participating member will be defined as a person who participates in the sport at least 12 times a year.
- Clubs will be able to generate unlimited income from their members.
- Clubs will be able to generate up to £100,000 turnover (receipts) from trading and other miscellaneous transactions with non-members. Subsidiary trading company will be needed if over this limit.
- The threshold on the exemption from corporation tax on trading income will be increased from £30,000 to £50,000. Clubs will pay no tax on trading income so long as the turnover from non-members is no more than £50,000.
- The threshold on the exemption from corporation tax on income from property will be increased from £20,000 to £30,000. Clubs will pay no tax on income from property so long as the receipts from non-members are no more than £30,000.
- All companies will be able to obtain tax relief on qualifying donations to a CASC under corporate Gift Aid.

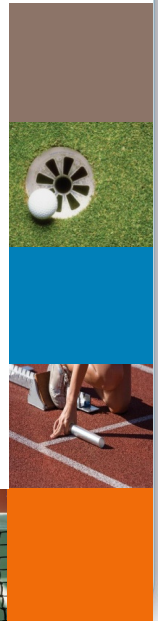


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CASC POST CONSULTATION CHANGES - ISSUES

- Latest HMRC information is a final draft legislation will be issued in the late Summer, while the current consultation is still ongoing.
- Non member income – includes all guests of the club ie societies, non member green fees and any non member related income eg bar, catering, buggy hire & room hire.
- VAT – recent ruling on green fee income being exempt, partial exemption and what will be the effect on clubs if have to use a subsidiary trading company. Eg will a VAT group be allowed? Under partial exemption rules less VAT expenditure will be claimable.
- Will away team golf match members be classed as non members?
- Corporation Tax ruling on temporary members?
- £50,000 trading threshold – corporate Gift Aid allowance will see trading subsidiaries more beneficial if clubs trading income is over this limit to save on Corporation Tax.



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