

Member communication re CASC (Community Amateur Sports Clubs)

As you may recall, throughout 2015 Golf Clubs struggled to come to terms with HMRC's new regulations regarding CASC membership, which they brought into effect on 1 April 2015.

HMRC also publicised significant penalties for clubs who operated under CASC but did not meet the new regulations.

We did not meet these new regulations alongside many other clubs and significant work was required to meet HMRC requirements by April 2016. As we didn't meet the new guidelines, our options were to de-register or to set up a Trading Subsidiary (TS). TS would operate trading areas such as bar trading, green fees etc.

At that time, however, there were many areas that were still unclear that needed to be clarified in time to be fully compliant with new regulations by due date.

Discussion was frantic between golf clubs, legal and accountancy representatives and HMRC regarding acceptable methods of use of trading subsidiaries, affordable memberships, VAT liability on green fees, VAT issues, methods of transacting business etc.

Additionally, given the tight timescales and our need to re-write our redundant articles, we did not have the capacity to undertake the work required.

In November 2015, we concluded, after considerable debate and having taken extensive advice, alongside many other clubs we decided not to pursue CASC status.

However, we have continued to be vigilant, and, since then, many of the issues have been clarified and clubs are now able to make decisions on a much better-informed basis and to a timescale that meets their needs. Clubs are looking again at TS's.

This clarity now presents us with the opportunity to re-establish our CASC status. This will enable us to benefit from a range of tax reliefs, Gift Aid and rate rebates, estimated to be worth more than £15,000 per annum to the club.

Initial discussions have led us to believe that we have a lot of work to do ahead of April 2018, including:

- Re-write Articles for both TS and CASC to be legally and CASC compliant
- Set up new Companies with Directors
- Establish accountancy and processing systems to enable separation of spends and appropriate accounting
- Establish a membership category with criteria that enable affordable golf
- Establish a legally compliant and Business transfer agreement between the new Trading Subsidiary and a new Corporate CASC Company
- Obtain HMRC clearance

Regarding governance process, to achieve the above, we will need also to:

- Extend our current accounting year to 31 March 2018 to concur with new arrangements
- Move our AGM to July 2018 and annually thereafter
- Hold Member meetings and EGM to enable the above