

SPECIALIST AREAS

Community Amateur Sports Clubs

Since April 2002, many local amateur sports clubs have been able to register with HMRC as Community Amateur Sports Clubs (CASCs) and benefit from a range of tax reliefs including Gift Aid.

What Kind of Club can Register?

Broadly a club seeking to register must:

- be open to the whole community
- be organised on an amateur basis
- have as its main purpose providing facilities for, and promoting participation in, one or more eligible sports.

Open to the whole community

A club is open to the whole community if:

- membership of the club is open without discrimination
- the club's facilities are open to members without discrimination, and
- any fees are set at a level that does not pose a significant obstacle to membership or use of the club's facilities.

Discrimination

Discrimination includes:

- discrimination on grounds of ethnicity, nationality, sexual orientation, religion or beliefs
- discrimination on grounds of sex, age or disability, except as a necessary consequence of the requirements of a particular sport.
- This does not prevent a club from having different classes of membership depending on:
 - the age of the member
 - whether the member is a student
 - whether the member is waged or unwaged
 - whether the member is a playing or a non-playing member
- how far from the club the member lives
- any restriction on the days or times when the member has access to the club's facilities.

If a club effectively discriminates by only accepting members who have already reached a certain standard it would not come within the CASC requirements.

Level of fees

The legislation does not specify what an acceptable level of fees is, but most members of the community must be able to afford them. Clubs involved with inherently expensive sports that want to register as CASCs will need to be able to demonstrate that membership and participation is within the financial reach of the wider community. This might be achieved by using other income to cross-subsidise fees or by the club making club-owned equipment available for use by members at reduced rates.

Organised on an amateur basis

A club is organised on an amateur basis if:

- it is non-profit making
- it provides for members and their guests only the ordinary benefits of an amateur sports club, and
- its governing document requires any net assets on the dissolution of the club to be applied for approved sporting or charitable purposes.

Non-profit making

A club is non-profit making if its governing document requires any surplus income or gains to be reinvested in the club. Surpluses or assets cannot be distributed to members or third parties.

Ordinary benefits of an amateur sports club

The ordinary benefits of an amateur sports club are:

- provision of sporting facilities
- reasonable provision and maintenance of club-owned sports equipment
- provision of suitably qualified coaches
- provision, or reimbursement of the costs, of coaching courses
- provision of insurance cover
- provision of medical treatment

Continued >>>

- reimbursement of reasonable travel expenses incurred by players and officials travelling to away matches
- reasonable provision of post-match refreshments for players and match officials
- sale or supply of food or drink as a social adjunct to the sporting purposes of the club.

Payments to Members

A club is allowed to:

- enter into agreements with members for the supply to the club of goods or services or
- employ and pay remuneration to staff who are club members.

So a CASC could pay members for services such as coaching or grounds maintenance but would not, for example, normally pay members to play.

Eligible Sports

Eligible sports are defined in the legislation by reference to the Sports Council's list of recognised activities. The list is set out in an appendix to this factsheet.

How to Register as a CASC

Application should be made to HMRC's Sports Club Unit.

An application form can be found at <http://www.hmrc.gov.uk/casc/casc-forms.htm>

The following information should also be sent:

- a copy of the CASC's governing document - this might be a constitution, Rules or Memorandum & Articles of Association
- a copy of the CASC's latest accounts
- a copy of any prospectus, member's handbook, rule book etc.

HMRC will notify the club either to confirm registration and the effective date or there might be a refusal to register. In this case some clubs may then be able to reapply at a later date if they change their rules.

HMRC have the discretion to make registration effective from a date before the application – often the beginning of the accounting period in which the application is made. Where a club has to change its rules to be registered, the registration is only effective from the date the revised rules were formally adopted.

There is no provision in the legislation for a club to deregister. Once a CASC always a CASC.

Tax Reliefs for Registered CASCs

CASCs can reclaim basic rate tax on Gift Aid donations made to them by individuals but CASC subscriptions are not eligible as Gift Aid payments.

CASCs are treated as companies for tax purposes. Therefore their profits may be chargeable to corporation tax.

CASCs can claim the following tax reliefs:

- exemption from Corporation Tax on profits from trading where the turnover of the trade is less than £30,000
- exemption from Corporation Tax under Schedule A on income from property where the gross income is less than £20,000
- exemption from Corporation Tax on interest received
- exemption from Corporation Tax on chargeable gains.

If the club has only been a registered CASC for part of an accounting period the limits of £30,000 (for trading) and £20,000 (for income from property) are reduced proportionately. Only interest and gains received after the club is registered are exempted.

Example

A CASC runs a trade with turnover of £40,000 and profit of £6,000. Because the turnover exceeds the £30,000 limit the profit is taxable. The CASC also has gross rental income of £12,000. The gross rental income is below the exemption limit and is not taxable.

Claiming the Tax Reliefs

Where a CASC receives a tax return, relief can be claimed in the return. However most clubs do not receive a tax return each year. If the club has had tax deducted from its income or if it has received Gift Aid payments, it can claim a repayment from HMRC.

Non-domestic Rates Relief

CASCs in England and Wales get the same relief that would be available to a charity (80% mandatory relief) where the CASC property is wholly or mainly used for the purposes of that club. For CASCs in Scotland, the Scottish Executive has agreed voluntary relief with local authorities for the same amount.

Relief for Donors

- Individuals can make gifts to CASCs using the Gift Aid scheme. We have a separate factsheet giving further details of the Gift Aid scheme.
- Businesses giving goods or equipment that they make, sell or use get relief for their gifts.
- Gifts of chargeable assets to CASCs are treated as giving rise to neither a gain nor a loss for capital gains purposes.

How We Can Help

Please contact us if you have any queries relating to the rules on CASCs. We would be delighted to help.

For information of users: This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.

APPENDIX – list of activities recognised by the Sports Council

Aikido	Golf	Rackets
American Football	Gymnastics	Rafting (white/wild water)
Angling	Handball	Raquetball
Archery	Hang/Para Gliding	Rambling
Arm Wrestling	Harness Racing	Real Tennis
Artistic Skating (roller)	Health and Beauty Exercise	Roller Hockey
Association Football	Highland Games	Roller Skating
Athletics	Hockey	Rounders
Australian Rules Football	Horse Racing	Rowing
Badminton	Horse Riding	Rugby League
Ballooning	Hovering	Rugby Union
Ballroom Dancing	Hurling	Sailing
Baseball/Softball	Ice Hockey	Sand/Land Yachting
Basketball	Ice Skating	Shooting
Baton Twirling	Jet Skiing	Show jumping
Biathlon	Ju Jitsu	Skateboarding
Bicycle Polo	Judo	Skiing
Billiards and Snooker	Karate	Skipping
Bobsleigh	Keep Fit	Snooker
Boccia	Kendo	Snowboarding
Bowls	Knee Boarding	Softball
Boxing	Korfball	Sombo
Camogie	Lacrosse	Speedway
Canoeing	Lawn Tennis	Speed Skating (roller)
Caving	Life Saving	Squash
Chinese Martial Arts	Luge	Skater/Street Hockey
Clay Pigeon Shooting	Model Aircraft Flying	Sub-Aqua
Cricket	Modern Pentathlon	Surf Life Saving
Croquet	Motor Cycling	Surfing
Curling	Motor Sports	Swimming & Diving
Cycling	Mountain Biking	Table Tennis
Dance Sport	Mountaineering	Taekwondo
Darts	Movement, Dance, Exercise & Fitness	Tang Soo Do
Disability Sport	Netball	Tenpin Bowling
Diving	Octopush	Trampolining
Dragon Boat Racing	Orienteering	Triathlon
Duathlon	Parachuting	Tug of War
Equestrian	Petanque	Unihoc
Exercise and Fitness	Polo	Volleyball
Fencing	Polocross	Wakeboarding
Fives	Pool	Water Polo
Folk Dancing	Power Boating	Water Skiing
Flying	Powerlifting	Weightlifting
Futsal	Puck Hockey (roller)	Wind Surfing
Gaelic Football	Quoits	Wrestling
Gliding	Racketball	Yoga