

# Sporting Company

## Protecting the interests of Sports Club Members

Your Sports Club serves the Community, but what does the Community give in return?

- *They take you for granted*
- *They tax you*
- *And they might even sue you!*

But the law has provided solutions through:

- Limited Liability (*registering as a not-for-profit LTD or CIC company*) and
- Special tax rules for Sports Clubs (the CASC scheme)

A **NOT-FOR-PROFIT COMPANY** IS: a limited liability enterprise that has a separate legal personality from its members. The company is owned by the members who elect a board of directors (also called Trustees) to direct the company.

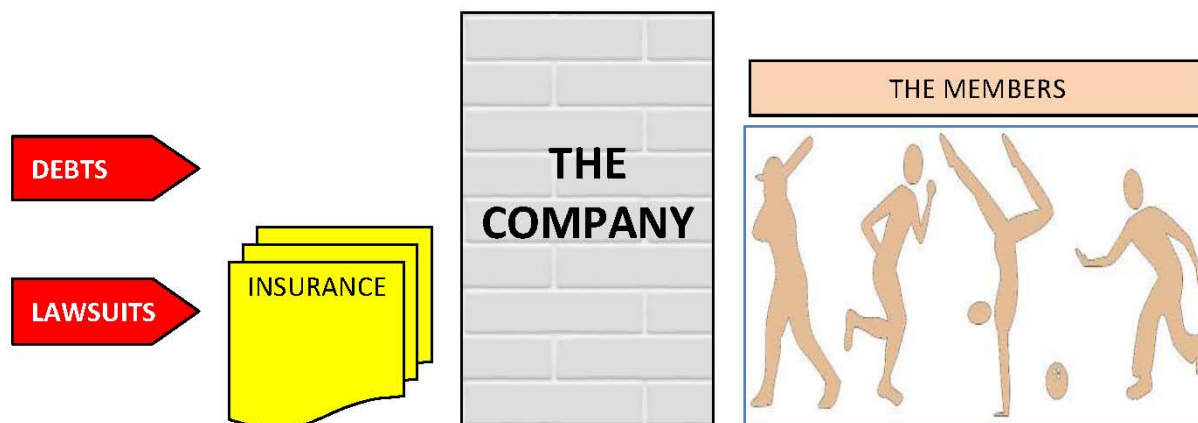
An unincorporated club is an "Association of Members" **any** or **all** of whom can be held liable for the Club's debts or liabilities. This means **all** club members and not just the committee.

But, as a properly constituted company the officers' Liability is limited to their stake in the company (normally a £10 "guarantee")

### Why be a company?

- Give the club an identity distinct from the individual members
- Protect the members from legal or financial risks
- Obtain clear, legal "not-for-profit" status to encourage donations

How limited liability protects Members:



Are there any disadvantages? - YES

- You must present Annual Accounts at Companies House
- You must file an Annual Return (*filing fee £40 on paper or £14 online*)
- Both can be viewed online

Which type of company should you register?

- Traditional "Limited by Guarantee" (LTD)  
OR
- Community Interest Company (CIC)

### Prices (incl. VAT):

- Limited by Guarantee (LTD) £143
- Community Interest Company (CIC) £163

Traditional "Limited by Guarantee" (LTD)

- Meets HMRC requirements for CASC registration (*see below*)
- Does not meet requirements of many public funding bodies (because it does not have formal Regulation)

Community Interest Company (CIC)

- Has a statutory Regulator
- Is recognised as securely "not-for-profit" and is supported by non-sports funding bodies
- Can also be a CASC (*see below*)

**Community Amateur Sports Clubs (CASC) IS:** a Sports Club that is registered with HMRC for special treatment on Tax and Rates

- Profits may be chargeable to Corporation Tax, but:
  - Exemption from Corporation Tax on profits of less than £30,000 from trading, and of profits of less than £20,000 on income from property.
  - Exemption from Corporation tax on interest received and on chargeable gains.
- Non-domestic mandatory rate relief of 80% (*but some local authorities give 100%*).
- Can claim Gift Aid on donations (this does not include membership subscriptions).
  - You need to show an audit trail for donations that are claiming Gift Aid
- Businesses that donate gifts to the CASC can claim relief for their costs.

Community Amateur Sports Clubs

- Must have approved constitutional documents which have been formally adopted by the club members
  - (*companies already have this*)
- Must register with HMRC
- Must submit company-style Accounts

### Why be a CASC?

- Save on Tax
- Save on Business Rates
- Claim back tax on Gift Aid donations
- Tax relief incentive for businesses to become donors

Your club must:

- be open to the whole community
- be organised on an amateur basis
- Aim primarily to provide facilities for and promote participation in eligible sports
- meet the management condition (*club managers must be "fit and proper" persons*)

For HMRC information go to:

[http://www.hmrc.gov.uk/casc/casc\\_guidance.htm](http://www.hmrc.gov.uk/casc/casc_guidance.htm)

So how can you proceed?

1. Discuss with members and if they agree:
2. Register as a company (*Ordered Management can do this for you*)
3. Register CASC (with HMRC)