

## Subject

Changing HSRC from a Private Members' Club to a CASC (Community Amateur Sports Club).

## Introduction

This is an important decision for the club membership. Below I have summarised the reason we are considering the change and the pros and cons of becoming a CASC.

To make an informed decision please read the attached. For further background reading I found the following informative and straight forward:

[http://www.british-gymnastics.org/clubs/club-support/document-downloads/cat\\_view/332-clubs-schools-and-leisure-centres/203-club-support](http://www.british-gymnastics.org/clubs/club-support/document-downloads/cat_view/332-clubs-schools-and-leisure-centres/203-club-support)

## Background

As I mentioned at the last AGM, HSRC have been sent notification from Wirral Council that our current Business Rate exemption 'may be' changed from April 2014. The same notification has been sent to all other sports club on the Wirral. Given the state of the public finances it is the Committees view that from April we will be charged business rates. At best the full charge may be phased in over a number of years.

Our current Business Rate exemption is approximately £7,000 per annum. This would seriously impact on the finances of the club and The Club could not absorb the costs and the additional running costs would have to be added to membership subscriptions. **This could increase annual fees by approximately £40-£50 per member.**

There is an alternative. HSRC is legally a Private Members' Club, by convert to a CASC The Club would be entitled to an 80% rebate on any future Business Rates. This process takes a month from submitting the application.

## **The Advantages**

### **Savings on potential Business Rates**

#### **The ability to raise funds from individuals under Gift Aid.**

A registered CASC can reclaim up to 25p in every £1 donated.  
This applies specifically to donations and **NOT** sponsorship

**JustGiving** for Sports Clubs scheme enables CASCs to raise money through the JustGiving website.

This includes free membership for the first year worth £180. This helps clubs raise money online and to take advantage of Gift Aid on donations.

#### **CASCs are exempt from Corporation Tax**

On profits derived from trading activities if their trading income is under £30,000 pa.

**Profits derived from bank and building society interest and Capital Gains Tax are also exempt**

### **Potential Drawbacks**

**If a Club ceases to operate its assets would have to be passed on to another CASC, a registered charity or the governing body of an eligible sport for use in community sport**

**If a club disposes of its property and would have a capital gains liability**

The Club would have to **change its Constitution** to comply with the CASC legislation.

The necessary constitutional changes

### **Purpose and Object**

The Purpose of the Club is to promote and provide facilities for the participation in the amateur sport of squash in Heswall.

### **Membership**

(a) Membership of the Club shall be open to anyone interested in the sport on application regardless of sex, age, disability, ethnicity, nationality, sexual orientation, religion or other beliefs. However, limitation of membership according to available facilities is allowable on a non-discriminatory basis.

(b) The Club may have different classes of membership and subscription on a non-discriminatory and fair basis. The Club will keep subscriptions at levels that will not pose a significant obstacle to people participating.

(c) The Club Committee may refuse membership, or remove it, only for good cause such as conduct or character likely to bring the Club or sport into disrepute. Appeal against refusal or removal may be made to the members.

**Non-Profit Making**

All surplus income or profits are to be reinvested in the club. No surpluses or assets will be distributed to members or third parties.

**Once HSRC has become a CASC, a club cannot undo the process.**

**Open Membership** – The club must allow anybody to become a member, unless they would be a disruptive influence, or the level of facilities means that the club cannot physically accept any more members i.e. the club is at capacity for membership.

**Amateur Players** – Players cannot be paid, although they can receive their away travel expenses.

**The Proposition to the HSRC voting Membership:**

**HRSC should revert from a Private Members Club to a Community Amateur Sports Club**

**Yes**

**No**