

BINGLEY HARRIERS AND ATHLETICS CLUB
EXTRAORDINARY GENERAL MEETING 1 MARCH 2012

Notice is hereby given that an Extraordinary General Meeting (EGM) of the Club will be held on Thursday 1 March 2012 at 9pm at the Bradford and Bingley Sports Club, Wagon Lane, Bingley.

The meeting has been called following a signed requisition of 10 members who wish to propose to members the Club's application for Community Amateur Sports Club (CASC) status with HM Revenue and Customs (HMRC), as recommended by the Club's Committee. An explanation of CASC status and benefits to the Club are set out in Note A below.

In order to be successful in this application, the Club must make minor changes to its rules in order to fully comply with HMRC conditions. Club rules stipulate that rule changes can only be altered at an Annual General Meeting or EGM and that 14 days notice must be given of the changes and 28 days notice for an EGM. Details of these rule changes are set out in Note B below.

AGENDA

1. Explanation of reason for EGM.
2. Application for CASC status.
3. Changes to Club rules.

Note A

Community Amateur Sports Club (CASC) status

CASC status allows amateur sports clubs to register with HMRC and benefit from a variety of tax reliefs, provided that income is used for a 'qualifying purpose', i.e. providing facilities for eligible sports and encouraging people to take part in them.

The Club receives interest on building society savings and receives some donations. As a CASC, it could receive interest tax free and claim Gift Aid on donations. Larger clubs who own premises and assets could also benefit from other reliefs such as tax on capital gains, rental income, trading profits up to £30,000 and rates relief, none of which currently apply to our Club. However, based on our expected interest receipts alone, this could still save the club around £400 per annum and is therefore worthwhile, as there is no cost involved in registration.

HMRC sets out various conditions which clubs must meet in order to qualify for CASC status. This is to ensure that only genuine amateur clubs are accepted and receive the tax benefits. Clubs have to submit an application form and certain documents, such as accounts

and a copy of their rules, before they can be accepted. Bingley Harriers already complies with these requirements in practice but would need to make minor changes to the wording of its rules in order to demonstrate that we do so (see Note B below).

Once registered as a CASC, a club cannot deregister (for anti tax avoidance reasons). However CASC is only a tax registration status with HMRC which will allow the Club to receive tax benefits and will not affect the operation of the Club in any way. Once registered, it is unlikely that the Club would receive further contact from HMRC (i.e. annual tax returns would not be required), unless our financial circumstances changed, in which case the Club would notify HMRC of any changes.

The Committee recommends that the Club should apply for CASC status with HMRC. UK Athletics have also promoted CASC status to clubs.

Note B

Changes to Club rules

In order to demonstrate that clubs comply with HMRC requirements, their guidance provides 'model clauses' which must be included in club rules. Any rule changes must be made, using the club's correct process and formally adopted by members, prior to submitting the CASC application.

These clauses are as follows:-

1. *'The main purposes of the club are to provide facilities for and to promote participation in the amateur sport(s) of [insert sport] in [insert area]'*
2. *'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.*
 - *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.*
 - *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 members.'*
3. *'All surplus income or profits are to be reinvested in the club. No surpluses or assets will be distributed to members or third parties.'*
4. *'Upon dissolution of the club any remaining assets shall be given or transferred to another registered CASC, a registered charity or the sport's governing body for use by them in related community sports.'*

The Club already complies with these clauses in practice although some are not currently explicitly stated in our rules, which would therefore need to be amended to comply.

The Committee therefore recommends that existing Club rules no. 3, 10 and 11 are amended to incorporate the requirements of 1 and 2 above, and that rules 14 and 15 are added to cover 3 and 4 above. The draft changes to wording are attached at Appendix B.

23 January 2012