



Broxbourne Sports Club Re-Structuring



Current Status and Drivers for Change

Community Amateur Sports Club (CASC)

- We are currently registered as a Community Amateur Sports Club (CASC).
- CASC status allows us to benefit from a range of tax reliefs.
- HMRC Legislation changed in 2016, CASCs can only earn up to £100,000 a year from non-member trading and property income.
- During the last few years, we have earned on or around the £100k mark (close enough to avoid the cost of change)
- If you are a CASC you cannot be a charity as well.
- CASC status can limit access to grant funding.

Trustees

- During 2019 we were informed by Barclays that they no longer wanted to be our trustees as it was no longer considered core business.
- They transferred our deeds to an offshoot Zedra who have been tasked with managing the transfer of the trustee ownership back to the club.

What options have we considered?

1. Do nothing continue operating “as is” – Not Viable high risk we will be exposed to a HMRC review and large tax bill.

Revised Structures

1. Create a stand alone Limited Company for all of our trading activities and keep the sporting activities operating as a CASC
2. Create a Company Limited by Guarantee (CLG) and register the club as a charity

	Key Advantages	Disadvantages
Option 1- Ltd Company and CASC	<ul style="list-style-type: none"> • Meets the requirements of HMRC 	<ul style="list-style-type: none"> • Some funders will only work with charities. • Change required to articles and all elements of the club i.e. employees' contracts, insurances etc. • Limited future funding opportunities
Option 2 CLG and Charity	<ul style="list-style-type: none"> • Charity status will allow us to benefit from similar tax reliefs we received as a CASC and gives confidence to the public and funders that you are regulated • A CLG is regarded by funding bodies and public agencies as a more “stable” structure than a CASC. 	<ul style="list-style-type: none"> • Change required to articles and all elements of the club ie employees' contracts, insurances etc. • Charity law imposes high standards of regulation and bureaucracy. • Strict rules apply to trading by charities. • A company limited guarantee will be dealing with two Regulators – Charity Commission and Companies House

Analysis Advice

Advice

- We spoke to our accountants
- We spoke to other sporting organisations who have gone through the same changes
- We engaged a specialist and legal support to assess the approach, amount of work and cost of change
- A sub committee was formed and has led on analysing the positive and negatives of each option
- The sub committee have started the re-drafted our articles as part of the preparation work for the recommended solution (our articles need updating regardless of the outcome as they have not been revised for a considerable time)

Future Governance Model

Phase 1

Current plan is for the Chair, Secretary, Treasurer Grounds Chair and BD lead to fulfil these roles

Board of Trustees



Company Directors



Club Management Committee (day to day management of all club matters)

Note: Directors of a CLG must also be the trustees Of the charity

- Key objectives within the changes proposed include the need to limit additional workload on the existing voluntary functions carried out by the committee. Hence, the approach to combining roles where possible will mean less commitments on individuals time and workloads in support of the club.

Recommendation to Members

- The Management Committee recommend that moving from a CASC to a CLG and Charity will provide the greatest level of stability and opportunity to the Club.
- The trading elements of the Club will be set up as a Company Limited by Guarantee (CLG) and registered as a Charity.
- Zedra UK currently act as Custodian Trustee of the property belonging to the Club. The property title will be transferred to the new company upon it's formation.
- The officers of the club will be initially be both directors of the CLG and form the board of the charity this will reduce the workload and keep club Governance at a manageable level for what is a voluntary group.



Next Steps:

- Do the preparatory work to register the company with companies house
- Arrange a consultation and an EGM to gain members approval for the change in structure
- Change to new model ideally at the start of next FY (May2022)