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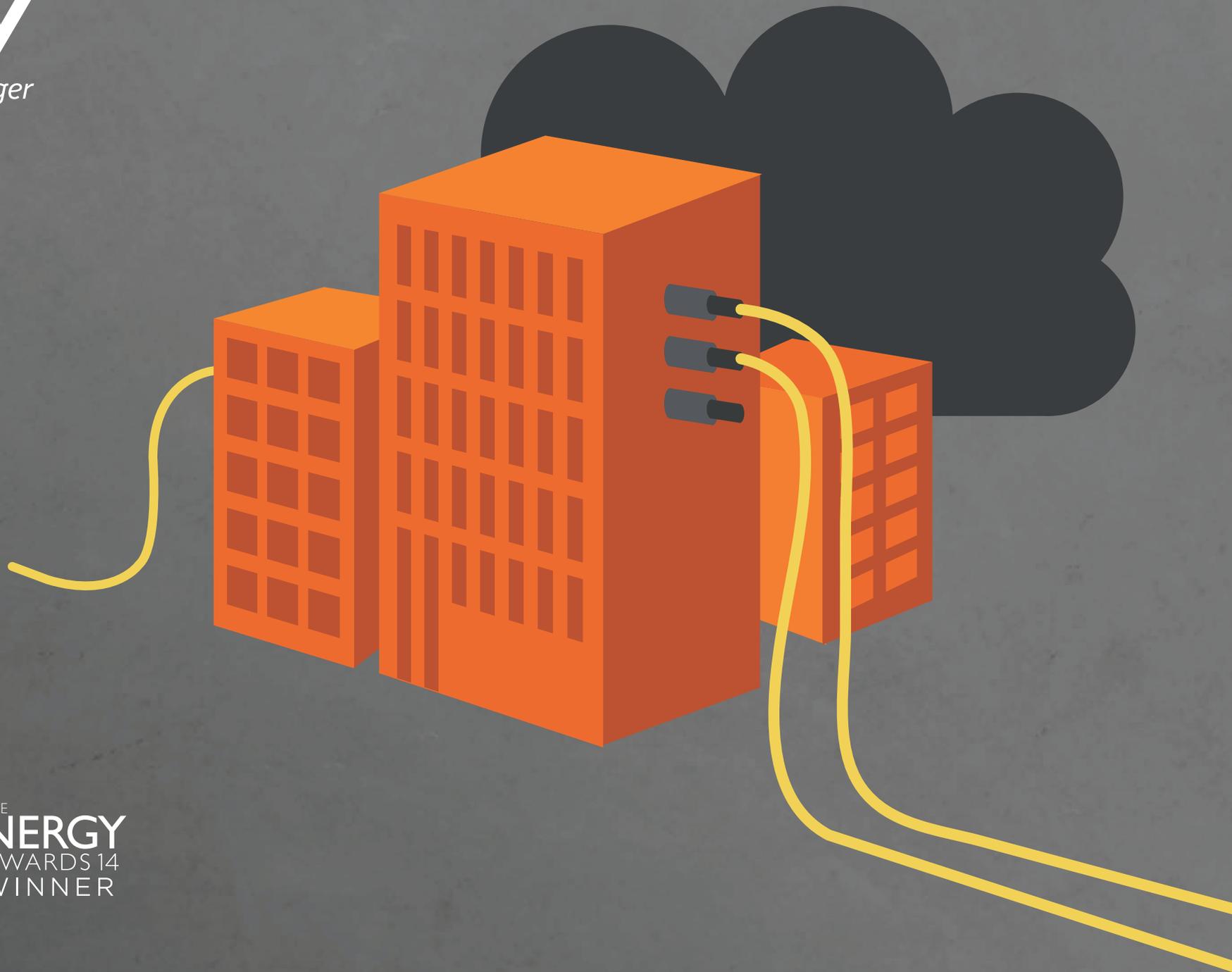
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Sports & Social Clubs

{Efficient Rugby}

How to set up your sports & social club

Welcome

to your Complimentary Guide from Amber Energy.

At Amber Energy we understand the difficulty of trying to understand energy whilst going about normal day-to-day business activities.

At Amber Energy our goal is to become your trusted business partner. We are impartial in our approach to suppliers and energy management, and experts in energy. We have put together this guide to help your business understand 'what it all means' and to assist you in developing the smartest energy management solution.

If you have any queries contact us to arrange a meeting to discuss your specific business needs.

The Amber Energy Team
Telephone: **0844 357 2859**

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1 *What is a sports
and social club?*

1 What is a sports and social club?

Introduction

Sports and Social Clubs

A social club may refer to a group of people or the place where they meet, generally formed around a common interest, occupation or activity.

The legal aspects of running sports and social clubs are often highly complex.

The majority of the people involved in the running of the sports and social clubs often do so in their spare time, which they give up willingly for the good of the club.

However, the incorrect handling of staff complaints, contractual disputes or other actions can lead to the personal liability of members and committees - all this for a position which is often unpaid.

Therefore it is important to know all the relevant information, before deciding to move forwards.

4 Key Aspects:

- *Settings up a bank account*
- *Keeping a record of income*
- *Keeping a record of expenses*
- *Registering as a charity?*

Questions That Need to Be Answered:

- *Enough potential members?*
- *Enough volunteers?*
- *Facilities available?*

i Once there is a general agreement to set up a Sports & Social Club a number of elements will need to be agreed and decided on. Preparation is crucial to a successful sports & social club.

FAQs:

When the club becomes a S&S club will I be held responsible for the costs, if the club goes into liquidation?

The responsibility will be with the club committee members. Depending on whether the club is registered by guarantee or by shares, will determine the amount, the committee would have to pay, in this situation (see **Register the club by guarantee rather than shares**).

How long will it take to become a S&S club and will there be a lot of work involved?

There is no set time, this will depend on your club: how much time you have, if all the information you need is in order (committee, finance, venue etc) and if you have set up a meeting to arrange the change over.

2 *Factors that need
consideration?*

2 Factors that need consideration?

A Club Name

This can be anything you decide provided, no other club has the same name. Alternatively, you can use the existing rugby club name.

Club Constitution

This is a simple document that outlines the functions of the club, procedures for membership, meetings and committees.

Club Officials

A minimum of three posts will need to be elected onto the committee. These posts will need to be elected, ideally prior to the meeting. Many clubs will have other roles that people in the club may volunteer to carry out, outside of formal club positions.

Meetings & AGMs

The committee should meet at least quarterly, some committees meet monthly. An Annual General Meeting (AGM) will be required as laid down in the club constitution so that all members can have an input into the running of the club. It is at the AGM that the committee is elected.

Finance

As a new club it will be important to raise funds to run the club; initially these funds are likely to come from membership subscriptions. It is also advisable to produce a list of costs to run your club throughout the year, which will help you create a budget of income and expenditure for the next 12 months, ensuring that there will be enough income to meet outgoings.

Membership

The club must be open to all, with discounted rates for the less privileged & young people.

Insurance

Clubs are advised to obtain adequate insurance to cover their members. The club must have suitable Public Liability Insurance & Professional Indemnity Insurance for all activities delivered.

Affiliation

It is recommended that the club affiliate to its relevant NGB. Although each governing body offers different benefits from affiliation, some include: insurance, access to training courses (sometimes at a reduced rate), access to qualified umpires and officials for competitions, entry to competition and leagues, magazines and advice leaflets and discounts on equipment and kit.

Type of Club (two options)

1 Recreational/ Social Club: offering chances to play and have fun?

2 Competitive club: focusing on competing and talent development?

Although a club, can also have the potential of being both of these things or somewhere in between. The club needs to decide about entering local leagues and other competitions too.

Coaching

The coaches running the schemes - do they have the appropriate qualifications?

Child Protection Training/ Child Protection Policy

If the club has young members, it is advisable that the club writes and adopts a child protection policy.

2 Factors that need consideration?

Vetting & Barring Scheme

The guidance is aimed at people working in sport who will have to manage applications to the CRB and ISA as part of their safe recruitment processes. It will help people understand their new legal responsibilities and understand how the scheme will work in practice.

Licensing Act

Under the Licensing Act alone there are some 10 offenses that a Club Secretary can be prosecuted under. That's why keeping on top of these areas is vital. Seeking legal advice is important.

Equity Statement

Each club should write an Equity Statement about how it will implement this policy effectively.

Clubmark

The national initiative is endorsed by your NGB. Most NGB's have written their own club accreditation programme, which gives them a process to work through to help and develop their club into a high quality club.

Venue

If you haven't already, you will need to find a local facility to operate from.

Equipment & Kit

This is needed prior to starting the club. You may be able to access local grants or funding.

Public Relations & Press

It is advisable to build relationship with local press, to let people know what is happening and get the word out there about your club.

2.1 Charity?

Charities are normally non-profit making but may carry out business activities.

Example of business activities by charities include:

- *The sale of donated goods*
- *The hiring of charity run buildings (eg. village halls)*
- *The provision of membership benefits by clubs, associations and similar bodies*

But we are not trying to make a profit?

A business activity may still be a business activity even if charges are only set to recover costs incurred - it is not necessary to make a surplus for an activity to be business. If a charity is carrying out mixed use activities on the same premises i.e. both business and non-business activities then it may apportion the use accordingly.

CASC (Community Amateur Sports Club)

To be charity, a CASC would need to be able to show that it existed for the benefit of the public rather than for the benefit of its members. All property belonging to the CASC would no longer be privately owned by its members but would become charitable property.

In practical terms, a CASC can be a charity provided that two criteria are satisfied:

- The sport in question must be capable of improving physical health and fitness.
- The club must have an open membership, which allows, access to the club's facilities and must be genuinely available to anyone who wishes to take advantage of them.

Should our club register as a charity?

It is a matter for each individual club to decide whether they would qualify as a charitable CASC and wish to take on the benefits and responsibilities of being a charity. In seeking charitable status, clubs will have made a conscious decision to operate permanently as a charity. The Charity Commission is willing to register any club that clearly meets the criteria for a charitable CASC but it is for each club to decide whether or not registration as a charity is something they wish to pursue.

2.2 Financial Factors?

Registering the Club by Guarantee

It may be advisable for Sports and Social Clubs to become a company limited by guarantee, especially when the club is a non-profit making organisation. Usually in such situations each member guarantees that in the event of a Winding Up (e.g. liquidation) to contribute a fixed agreed sum, e.g. £1000. Hence the liability of each member is limited to £1000 only. The main downside to a club becoming a company limited by guarantee is that the administration can be more onerous with legal penalties for failing to comply (e.g. the filing of accounts and annual returns with Companies House).

Registering the Club by Shares

A club can be a company limited by shares, but this usually applies more to an organisation that is looking to make a profit, so isn't really applicable.

Conclusion

Whether guarantee or shares limit the company, appointed directors rather than the members themselves usually manage the Sports Club.

VAT and Tax Implications

VAT Reduction

Clubs and associations need to know the rules that apply to VAT on membership subscriptions, prize and appearance money, and other aspects of their business. Some supplies relating to certain sports may be exempt from VAT.

What is Input Tax?

Input tax is the VAT you are charged on purchases of goods and services used for business purposes. You can normally recover this from us to the extent that it relates to your taxable (standard-rated, reduced-rated and zero-rated) supplies.

VAT Liability for Goods & Services

Hiring equipment, facilities and competition entered, depending on the circumstances the club would have exemption from paying tax or a reduction at least. So it is worth looking into what your club may qualify for.

3 *Next steps?*

3 Next steps to set up a sports & social club

Have you read this guide and feel that your business would benefit from being a Sports and Social Club?

Once you have completed the initial steps, in preparation for signing up to be a S&S Club, you can then register the company.

Registering Your Sports & Social Club

Registrations

All businesses must register with Inland Revenue for tax purposes, but companies also have to be incorporated with the Companies Office. The first step is to get an IRD number from Inland Revenue.

Companies

If your business will be run as a company, you need to get an IRD number for it. However, rather than going through Inland Revenue, you can do this through the Companies Office when you register your company for incorporation.

Further Information

Further information and advice regarding setting up a Sports and Social Club can be found below:

Setting up a club:

http://www.thanet.gov.uk/leisure__culture/sports_clubs_centres/sports_club_development/setting_up_a_sports_club.aspx

<http://www.business.govt.nz/starting-and-stopping/entering-a-business/starting-a-business>

Running a club & sports development:

www.sportengland.org
www.runningsports.org
www.clubmark.org.uk

Setting up as a charity:

<http://www.charity-commission.gov.uk/Publications/r11.aspx>

Funding & grant advice:

Tel: 0845 600 2040
Web: www.awardsforall.org.uk

Legal advice:

<http://www.sydney-mitchell.co.uk/business-services/sports-and-social-club-law>

For more information

Did you find what you were looking for?

If this guide didn't answer your question you can consider one of the following resources that can help you further, one of our other guides, or give us a call on **0844 357 2859**.

Want to meet us?

We would be more than happy to come to your business. If you would prefer to come and see us you can arrange an appointment to visit our offices located at:

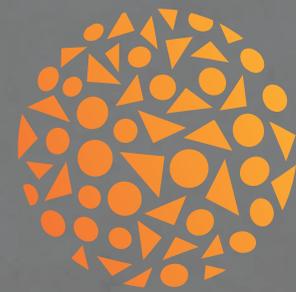
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