

## Appendix 6 SWOA Minutes 28 Nov 2013 Tax issues

The Autumn 2013 edition of Focus magazine, page 26, has warned us of some potential problems regarding tax. Some members of the QO committee are very concerned about this and would like further advice on what to do about this issue.

In summary the page advises that:

1. paying coaches or volunteers anything other than expenses could result in them being declared as employees, which could result in a tax demand,
2. making more than £100 profit on selling permanent course maps or equipment to schools could lead to Corporation Tax demands,
3. registering as a Community Amateur Sports Club (CASC) is a way of avoiding tax liability.

This leads us to ask more questions:

1. Question for BOF: We have been paying modest amounts to our lead coach and we have been rewarding other volunteers with things like free runs, all with encouragement from British Orienteering.
  - a. In the light of this article, is British Orienteering's advice going to change?
  - b. Could rewards such as free runs be treated as a "benefit in kind", and hence should we stop this?
2. Question for BOF: We would like more explanation of the phrase "more than £100 profit on selling permanent course maps or equipment to schools".
  - a. Can we confirm if this means £100 per year?
  - b. Since this is "profit", can we make deductions for the costs of the initial production of the course itself, the maps and the costs of computers and printers? Alternatively is it sufficient to demonstrate that the club does not make a profit?
  - c. Could this apply to anything else other than permanent course maps and schools equipment, e.g. event entry fees?
3. Question for others: We are not keen to go down the CASC route as we suspect this could be a tortuous process.
  - a. Do any other SW clubs have CASC status or are thinking about gaining this status?
  - b. Are other SW clubs concerned about their tax liabilities?

Any further advice would be appreciated,

Richard Sansbury QO

17 Nov 2013