

The Association of Golf Course Owners – Abbotsley Golf Club – St. Neots PE19 6XN
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Fighting for fair VAT and tax in golf for 20 years

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Peter McConnell,
HMRC,
CASC Department,
Comben House
Farriers Way
Bootle
Merseyside L30 4RN

November 26th 2013

Dear Mr McConnell,

Re CASC – abuse of the regulations in golf

I refer to our telephone call and my email earlier this month.

As you know from this, it is our case that the CASC conditions have been seriously abused by most CASC registered golf clubs. Many of the golf clubs were certainly never within the regulations and we say that their applications were based on false statements. One that did have its CASC registration removed because it was seriously discriminatory was still able to keep the £90,000 in business rate relief which had been falsely obtained.

But whether or not these clubs were correct in their initial applications the way in which they have abused the rules has been a disaster for proprietary clubs attempting to compete with them. CASC has made it virtually impossible for many proprietary clubs to continue in business.

By our calculation some of the worst offenders have defrauded the public purse of up to £500,000 in subsidies in non-domestic rates, while others have failed to declare their huge trading from outsiders and have defrauded the public purse by their failure to pay corporation tax. Others have so bent the regulations regarding trading with non-members that they have traded with disgraceful competition against our clubs and also other bona fide catering operations. Many have broken the terms of their liquor licences and many have seen the CASC regulations as giving them a free hand to run a catering business open to the general public and not as a social adjunct to the playing of sport. Others have bent the regulations by in effect simply making every one walking through the door into an associate member in order to break the rules. One even has a £1 associate membership to abuse the CASC rules.

We are making a complaint to Europe that the CASC regulations are a form of State Aid and have led to competition and distortion. That is a policy issue and for London rather than your office.

But what we are determined to achieve is for HMRC to recoup the business rate subsidy and the corporation tax subsidy which has been achieved by many of these CASC registered golf clubs through their bending of the regulations. We will make it clear to the European Commission that we believe HMRC has no option but to recoup the subsidies and tax allowances from those clubs – virtually all golf clubs – that have broken the rules. To forgive them of the tax is a form of additional subsidy and we say is unacceptable State Aid.

I am therefore, on behalf of our Association, sending you the following attachments:

- CASC golf clubs and wedding businesses
- CASC – major earners of green fees
- CASC – golf clubs with accommodation
- CASC golf clubs – largest recipients on business rate relief
- A simple example of CASC distortion – a club in Cambridgeshire
- An example of CASC distortion – a club in Hertfordshire/North London
- The AGCO Report on the CASC consultation – showing major offenders
- Accounts from Notts Golf Club – removed from CASC
- Accounts from Huddersfield Golf Club
- Royal Dornoch – example of green fee earnings

In addition our committee has investigated almost every CASC registered golf club in England, Scotland and Wales and we are sending you the reports on these clubs. These will be forwarded to you as separate emails for the list of clubs in folders from A through to W/Y. They will be forwarded to you. Please acknowledge receipt of these separate emails. We have highlighted the level of green fees and pointed to the trading by all these CASC clubs. Fewer than 10 appear to be bona fide CASCs. The England Golf Finance Director in the CASC consultation in August protested that a change of regulations would require clubs to keep income from members and non-members separately. We say that he, like the treasurers of all CASC clubs, has no concept of the way of keeping member and non-member income separately and as a result there has been substantial corporation tax evasion within CASCs.

We appreciate that you cannot contact us in response to this report, other than to confirm receipt of the documents. We will be forwarding it all to Europe to explain further our concerns on the State Aid aspect of CASC.

We are sure that HMRC and the Charities Department will be horrified when they see the abuse of the CASC regulations in golf clubs and we urge you to recoup the subsidies and tax advantages wrongly claimed.

Yours sincerely,

Vivien Saunders

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For and on behalf of the Association of Golf Course Owners