

UKGCOA QUESTIONNAIRE – a DISASTER – IT’S POISON or a HONEY TRAP!

From the Association of Golf Course Owners (1993) – Vivien Saunders – October 5th 2015

May I urge all proprietors NOT to respond to this questionnaire? These are things you should know.

Firstly it is utter lunacy to think that the Chancellor would reduce VAT for golf alone. He would be laughed out of the Commons. We have a major initiative to get Reduced VAT for all sport. See our new website at www.rvis.org.uk. We are gathering momentum from CEOs of other sports, having corresponded with 231 governing bodies from other sports, preparing to meet the appropriate people in Government, Department of Culture, Media and Sport and Treasury etc. Please leave this to professional, qualified people. You may remember that I stood on the banner of Reduce VAT in Sport in the General Election in the PM’s constituency of Witney and we have opened his eyes, for various reasons, on the VAT in sport issue for proprietary and members’ clubs.

Secondly, AGCO had the case in the Royal Courts of Justice March 22nd to 25th week, supported by many AGCO clubs, for which the judgment is imminent and promised this month, October. That asks for a referral to the European Court of Justice. We had top class representation from a tax barrister, all other work done FOC by the AGCO committee!

Remember that in the Chipping Sodbury case we got a result and ruling from the judges that there is distortion between members’ clubs and proprietary ones and that judgment is in front of Europe in our on-going case/complaint. I spoke to the European Commission case worker in Brussels a couple of weeks ago and it is on-going. It is ridiculous to attempt to deal with these issues with HMRC and the Treasury while these cases are in the pipeline. Please leave it to professionals.

The questionnaire being put out by the UKGCOA is a potential disaster and is a real honey trap set by HMRC and the Treasury! All those questions about what you did when VAT rates changed – think! - and what you would invest in. All the nonsense about how much you take in green fees is irrelevant. See it for what it is. A honey trap! It is ill thought out by people from UKGCOA, EG and KPMG who do not understand the issues and VAT ramifications. The whole thing is very technical and they have no grasp of it. One of the technicalities involves charging affiliation fees. I am not going to explain to these people why. HMRC is aware!

We understand that the UKGCOA sent out 700 questionnaires and fewer than 70 clubs have responded. Thank God that golf proprietors have, in the main, seen the trap and haven’t fallen into it. Unless they get 150 to respond then the Treasury isn’t interested. Please don’t respond. THINK.

AGCO and UKGCOA

I have been asked why AGCO and the UKGCOA do not work together as ‘presumably we want the same thing’. No we don’t want the same thing. The UKGCOA is very closely linked to England Golf. The UKGCOA was formed by or with the help of England Golf and started its life as Golf Course Owners (England) Ltd. Companies House presumably only let them use the word ‘England’ by some link with the EGU. The director of UKGCOA is John Weir, address at Woodhall Spa, and he is a director of various EG companies. The EG chairman stated that the UKGCOA was set up because they did not like the work of AGCO and wanted to stop us. Remember that in 2002 the AGCO men were removed from the EGU board because of the on-going argument about compulsory affiliation fees. AGCO has been mentioned several times in Hansard and is correctly seen as your representatives. We are very much on the case in Northern Ireland and Wales too.

The UKGCOA refuses to tackle the disgraceful tax fraud and evasion by golf clubs registered for CASC because England Golf supports them. As a simple example Finchley Golf Club – a members' club – which is one of the worst offending all CASC clubs is a member of the UKGCOA. Scottish Golf is also drawn into the UKGCOA support group. Be aware that Royal Dornoch took £1.1 million in green fees last year and is a CASC registered club, with its rate relief and doubtless little or no tax being paid! The UKGCOA is there to protect these clubs, with members of their association like Finchley. AGCO is fighting CASC tooth and nail and continues to do so. Look by contrast at the documents Andy Lloyd Skinner filed on behalf of UKGCOA regarding CASC, suggesting all money went to England Golf to dish out and suggesting the UKGCOA was the only group of proprietary clubs approved by EG!

The UKGCOA also refuses to react to the massive tax evasion within private members' clubs. Remember that one of the people most avidly supporting the formation of the UKGCOA was John Hunt, previously secretary of the Berkshire Golf Club – a club that has taken £16 million in green fees since 1990 and always fiddled their tax, saying they lose money on £800,000 of green fees each year! They are typical of the serious tax fraud within members' clubs and England Golf wants to keep this under the RADAR. UKGCOA is there to help protect them. The corporation tax scandal is possibly a bigger problem to golf than VAT. And remember that Worplesdon Golf Club – another members' club with a serious history of tax evasion on green fees – is also a member of the UKGCOA. The new Chief Executive of the R and A, Martin Slumbers, is a member of Worplesdon. Wheels within wheels etc. The UKGCOA is there to protect them and NOT to serve proprietary golf.

So, no. The UKGCOA does not want the same as AGCO. With Finchley and Worplesdon as members see it for what it is! We want far more than they do and EG will do everything to ensure AGCO gets squeezed out. But DO remember that AGCO has been called in by HMRC to meet on various issues which are confidential!

KPMG and where they figure in this

Please also remember that EG started and supported all the cases with the Bridport and West Dorset, trying to get the VAT back for members' clubs on their green fees. KPMG, who UKGCOA and EG, have now appointed on this Reduce VAT project, act for 457 clubs standing behind Bridport and that includes the Berkshire. KPMG stand to make over £25 million on the Bridport case on the VAT refunds. AGCO made an application to the Upper Tax Tribunal to be heard in the Bridport case on the issue of distortion when it went to the European Court. We made a court application and were represented by tax counsel. HMRC had no objection to our case being heard. In fact they probably welcomed it. The objection came from KPMG who persuaded the judge that our distortion case should not be put to the European Court within Bridport. Yes, it was KPMG who scuppered that. Now EG and the UKGCOA has them on their side! Any other accountants might have been acceptable to have a good spat with KPMG.

I would strongly advise that no one replies to that questionnaire. It is utter poison. And it appears to be KPMG fishing for irrelevant income figures – nothing to do with the VAT issue. They stand to make so much money from Bridport; don't give anything away!

Andy Lloyd Skinner, the CEO of UKGCOA, and Andrew Sutcliffe, assisting, have no relevant qualifications for dealing with this. Both are simply involved because of being caught out operating VAT avoidance schemes – one stopped by the court and the other stopping before proceedings. The young, very newly qualified staff appointed by KPMG are clearly not up to speed on this; hence the disastrous questionnaire.

Let AGCO take the lead on this and deal with the issue professionally as we are doing, with cases to Europe and the judgment from the court case in London in March imminent. Once we get the judgment from the March case then let's take a view on it professionally. *Vivien Saunders*