

Club Journal

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The magazine for all CIU members

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Union President George Dawson CMD believes that HMRC is overstepping its brief in questioning CIU clubs' mutual trading status



Union President criticises HMRC for confusion over clubs' mutual trading status

Union President George Dawson CMD has criticised HM Revenue & Customs (HMRC) for sending out speculative letters which question clubs' mutual trading status and exemption from corporation tax.

Using one such letter – sent by HMRC to Garforth Working Men's Club in Leeds – as an example, Mr Dawson said that it wrongly cast doubt on the club's mutual trading status with regard to associate members when it stated: "In future, income and expenditure relating to associate members must be reflected in computations and CT600 Returns as taxable trading income."

Speaking at the latest meeting of the All-Party Parliamentary Group for Non-Profit Making Members' Clubs at the Houses of Parliament, Mr Dawson said in reference to this letter and similar letters received by other Union clubs: "After receiving this communication, the club subsequently wrote back with my assistance and HMRC agreed that the club wasn't liable for corporation tax on trading with associates.

"So it seems that the initial letter was clearly just a 'fishing' exercise on their part.

"Surely HMRC has better things to do with its time? They seem to think that all our clubs have changed their mutual status since the Co-operative and Community Benefit Societies Act 2014 came in.

"We'd like to ask the Revenue why they're sending out these fishing letters to clubs regarding corporation tax; they're wasting the clubs' time and their own time."

He added: "It's clear that the Revenue is employing people who don't have any knowledge of the club sector."

During the same debate, Union General Secretary Ken Green CMD pointed out a lack of consistency in which clubs were receiving these communications from the Revenue: "There's no consistency whatsoever," he said: "Clubs in certain areas of the country are getting these letters and others are not."

The Union is asking clubs to send in copies of any similar letters they may have received from the Revenue to Head Office, in order that the scale of the problem can be assessed and a formal response to ministers co-ordinated.

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Bargoed Labour Club wins CIU Team Pool title

Bargoed Labour Club (South Wales Branch) have won the National CIU Team Pool title after beating Upperby Mens Club (Cumbria Branch) by 5-3 in the Final held at Leicester Railwaymens Club on May 16.

ANY QUESTIONS?



Club Journal's panel of experts is ready to answer any of your queries regarding running your club

Q We're holding a number of outside events in our garden this summer and want to know if this has any implications for the club insurance-wise?

Andy Kitchener, Relationship Manager for the CIU at Preferred Supplier Aon UK, responds:

As our thoughts turn to warmer days and lighter evenings it could be that your club is planning to make the most of any outside space. That could be arranging a BBQ, outside bar, dusting off the outside seating or pointing members towards the beer garden. But when your members move outside where do you stand with your insurance? What sorts of things might your insurance cover and what do you need to do to protect yourself?

Below is a list of common issues which tend to be raised at this time of year.

Property kept in the open, including garden furniture & ornaments

Find out what property is covered if it is left outside but still within the boundaries of the premises, and to what value.

Slips and trips on outside paving stones, paths etc

A clear statement of health & safety policy and risk assessment as well as an accident reporting and investigation system should help to reduce Public Liability claims and help defend against them.

Bouncy Castles

Often bouncy castles are not covered as standard in your insurance policy. Any hired-in bouncy castles should come with their own Public Liability Insurance. Be sure to confirm this with the supplier and check your policy wording for any terms and conditions that apply.

Children/Young Adults

Young children provide a different set of potential risks and there may be more than



Employers are now required to enrol eligible workers into a workplace pension and face fines if they do not comply with the new rules

usual around your business at this time of year. Always ensure that all private areas are kept locked and that all cleaning chemicals and products are kept out of reach. Proper risk assessments should be carried out when considering the potential dangers to children and young people.

Outside Catering

Check what stock or contents are covered by your policy when you are providing outside catering. Also find out if any restrictions apply.

If you require any more information on the points mentioned above please do not hesitate to contact us on 0845 844 5000.

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Q Could you give a brief overview on the subject of pensions auto-enrolment?

Ian Devlin, Employment Law Consultant at Avensure, replies:

We've known for some time now that a high number of people in employment are either not saving for their pension or saving too little to provide a comfortable income in their retirement. The cost of living is too high for many and families are struggling to get through each month, leaving little or no money to put away for their future. Yet it's not just families or couples struggling; the younger generations are facing continuing unemployment, paying through the nose for their education and have little hope of affording homes of their own.

The future is uncertain, compounded by the fact that we are now living longer and dependencies on the state are being loosened. The responsibility is now transitioning the individual to secure their future through appropriate funding. Is auto-enrolment the solution to our problems?

Certainly the proposal represents the