

For Immediate Release

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Critchleys help England Hockey broker £300k VAT deal

Critchleys VAT Consultancy team has assisted Ian Wilson, Finance and Administration Director for England Hockey (EH) to obtain the optimum deal on the VAT charged on sports affiliation fees to member clubs.

EH, the National Governing body for Hockey in England has almost 1,000 affiliated clubs to whom it has previously been required to charge full VAT on fees. Her Majesty's Revenue and Customs ("HMRC") took the view that exemption from VAT did not apply to fees unless charges were to individuals not clubs.

Canterbury Hockey Club and Canterbury Ladies' Hockey Club successfully challenged this ruling in the European Court of Justice ("ECJ"). The ECJ ruled that that some supplies that were standard VAT rated could be exempted if services being provided are essential to sport and it is the individual that benefits from the service.

The challenge was to negotiate a refund of tax for the clubs without EH then suffering a big drop in its ability to recover VAT on expenditure. Critchleys VAT Consultancy has worked closely with Ian to broker a new deal with HMRC in the best interests of all parties.

The result is a windfall nearing £300k for member clubs, achieved without gravely undermining EH's own position.

Ian comments 'it's great we've secured a settlement that's fair to sport and, while we will continue to suffer increased unrecoverable VAT, I think on balance we have achieved the best possible result..' with Steve Chamberlain, Director of VAT for Critchleys adding 'Overall, what I am most pleased with is getting the deal with HMRC over the future treatment of affiliation fees'

HMRC's new policy is published in Business Brief 15/10 and comes into force on September 1st 2010; there is no requirement by HMRC for VAT charged on services before this date to be revisited. However, organisations are able to apply the judgement prior to September 1st and therefore exempt fees from an earlier point in time. Clearly, affected bodies need to consider their own position carefully

If this issue affects you and you want to find out more, contact Steve Chamberlain, Director of VAT on 01865 261100 or email schamberlain@critchleys.co.uk

Notes

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