



## **SAILABILITY GROUPS – LEGAL ENTITY**

There are several models of Sailability groups in operation throughout the United Kingdom e.g.

- An association of individuals
- A section of a Sailing Club
- A registered charity
- An incorporated charity

There are advantages and disadvantages with each model and when a Sailability group is being formed then careful consideration should be given as to which model is most beneficial during its development and growth.

### **Fund raising**

The status of a Sailability group needs to be clear, particularly where there is an appeal to the public. There must be details of the intended purpose of the appeal and planned expenditure of the appeal funds raised.

Grant making trusts usually make donations only to registered charities. RYA Sailability is prepared to act as recipient for such donations and then forward them on to the Sailability group that solicited the funds.

### **Tax position of Registered Charities**

Charities are exempt from income tax and corporation tax on their charitable activities. To be a charity all the purposes of an organisation must be exclusively charitable. Charitable purposes are characterised by the desire to benefit others for the public good.

Information concerning charities can be obtained by contacting the Charity Commission on its web site [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk) or its information line 0870 333 0123.

### **Value Added Tax**

VAT also needs careful consideration and information concerning value added tax can be obtained by contacting Customs & Excise on its web site [www.hmce.gov.uk](http://www.hmce.gov.uk) or the Local VAT office. RYA Sailability has produced a briefing document on VAT relief for individuals and charities. The brief is available from its registered office.