

**Following a number of email questions and a series of individual conversations and meetings following the initial announcement, please see below additional questions /answers.**

**Q: What is the Club now and how does it enter into contracts?**

A: The Club is currently an unincorporated entity. As such it cannot enter into contracts (e.g. court resurfacing, maintenance contracts, etc.) directly and so all contracts are technically between individual Committee members and suppliers.

**Q: What is the proposal and how will it affect how the Club enters into contracts?**

A: The proposal is to incorporate the Club as a company limited by guarantee (East Dorset Lawn Tennis & Croquet Club Limited). Contracts can then be between that company and our suppliers. The club will also register as a Charity.

**Q: I really don't understand. How can our club possibly be viewed as a charity? Aren't charities all about more serious things like the relief of famine, cures for disease or helping the homeless?**

A: No. There are many different types of charities. The Charities Act says that a charity is an institution which is established for charitable purposes. The Act lists 13 different types of purposes, one of which is the advancement of amateur sports.

**Q: Who would be the directors and what are their responsibilities?**

A: The 9 existing members of the Club Executive Committee would be the Trustee directors. The responsibilities of the Club Committee would be essentially the same but with the added responsibility of filing certain returns with Companies House and the Charity Commission. The preparation of these returns would be done by our Treasurer.

**Q: Will lots of new people be able to come to the club and use our facilities for free?**

A: NO. This will still be a members club where membership is subject to the payment of an annual subscription. The amount members will pay will not change as a result of these proposals.

**Q: Will it be expensive and will our subs go up as a result?**

A: The work to make the necessary changes to our Club Rules as well as editing the template Articles of the Charity Commission has kindly been done for us by a working party headed by Tom Lomasney and comprising qualified accountants Simon Gribbin and Alan Wharton, a solicitor Michael Barrow and a business person Serena Kennedy. As a result there are minimal set-up costs. The ongoing incremental annual costs of preparing and filing reports are also minimal. On the basis of the above, subs will not go up because of incorporation.

**Q: Does incorporation and registration as a charity change my life as a member?**

A: No. You will notice no difference in the experience of playing tennis, croquet or bridge here. However, you are being asked to support this initiative by the Club Executive Committee and to vote yes at the EGM. If the Resolution is passed the Club will become an incorporated entity at the beginning of 2017 and by renewing your membership you will become a member of East Dorset Lawn Tennis & Croquet Club Limited effective 1 April 2017.

**Q: What is the impact of the club becoming a charity?**

A: Charity status allows the Club to pay lower business rates than it otherwise would (the 80% discount is enshrined in UK law rather than the discretionary arrangement we now receive from Poole council). There are also certain VAT benefits, as well as relieving the Club of potential

Corporation Tax liabilities, and Gift Aid, worth an additional 25% of monies received, is available on donations and on “basic” club membership subscriptions. It also means that if the Club were ever dissolved all its assets would be handed over to the relevant sporting associations, as at present.

**Q: As a member will I hold shares in the Club if it is incorporated?**

A: No. The Club will be set up as a company limited by guarantee, which means that no one will hold shares. Companies limited by guarantee are often the corporate entity of choice for sports clubs, charities and other non-profit organisations.

**Q: What is my liability or potential exposure as a member if the Club is incorporated compared with what it is now?**

A: You will be exposed to a maximum liability of £1. So if the Company was ever to go into liquidation your maximum exposure as a member would be £1. Under the unincorporated structure we have now, there is no limit on your exposure, so in theory you could lose your house and all your savings.

**Q: Doesn't the Club have a comprehensive insurance policy that covers it for all eventualities?**

A: The Club has two insurance policies that cover it against material and personal liability. However, at the LTA course on incorporation it was advised that if a Club were to be involved in a legal dispute where financial claims were made against the Club that the first line of defence for a Club was incorporation and insurance the second.

**Q: Does incorporation provide greater protection to the volunteers who serve on our Committees?**

A: Yes. An incorporated Club can be sued whereas in the case of an unincorporated Club only individuals can be sued. Hypothetically there might be a dispute with a contractor who was providing a service to the Club. The contractor rightly or wrongly might want to sue the Club as part of their strategy to resolve the issue. As the Club is currently an unincorporated entity the contractor's only option is to sue individuals, e.g. these might be the individuals who hold positions such as Grounds Committee, Chair of Croquet, Chair of Tennis, Treasurer, etc. However if the Club was incorporated then the dispute and its resolution would be between East Dorset Lawn Tennis & Croquet Club Limited and the contractor.

**Q: If the Club incorporates will we still need trustees for our property?**

A: No. The Club currently requires three Members to act as trustees for our property. The existing Trustees have given their approval to the proposed changes.