LSL Incorporation FAQ

Incorporation is coming! This year at the AGM, the committee will bring forward Articles of Association for ratification by the membership. There are some key details you should all be aware of, summarized here.

Why are we doing this?

Incorporation will provide legal protection to the committee and other organizers of the league in the case of property damage or injury. While we've been lucky so far to avoid any serious issues, we have been threatened with lawsuits, and without the limited liability provided by incorporation, our personal assets are at risk.

What structure will we use?

We will become a Company Limited by Guarantee (CLG). Each member of the company pledges £1 as a guarantee - in the event the company is wound up with outstanding debt, each member is only liable for that £1 commitment. The company will be explicitly non-profit, and if we wind up the company with any leftover assets, those assets must be distributed to another company or organization that aligns with our aims.

Did we consider other structures?

Yes. We looked at a range of options. We did not believe we would qualify as a charity, and even if we did, charity status requires a great deal of annual admin and compliance work.

We also looked at CIC (Community Interest Company), but it provides very little benefit over a non-profit CLG, and requires some additional admin and paperwork.

What are the key changes?

There are two major changes:

1. The Director role will be renamed to President and the Secretary role will officially be called the "League Secretary" - this is because "director" and "secretary" both have specific meaning in Companies House legislation. The President, Treasurer, and League Secretary will all be directors of the company, alongside two directors without portfolio. They will register with Companies House as directors and will be responsible for legal and compliance issues (e.g. filing forms, taxes, etc). The remainder of the committee will be formed as an Executive Committee that runs the day-to-day operations of the league. Committee operations will continue more-or-less as they are today.
2. Each team's nominated representative will become an official Member of the company. They do not need to register with Companies House, but will be on a registrar of members held by the company. Those members are the guarantors, each pledging £1 to guarantee debts, as well as the people that hold voting rights in the company. This will require a little extra admin at AGM time - the members hold voting rights, so they must attend or officially designate a proxy in order to exercise their vote (rather than today, where any team member can show up for the AGM).

Why not make all committee members directors? Why two directors without portfolio?

Becoming a director requires registration with Companies House. There are eligibility requirements and paperwork that each director must complete. We did not want this to be a barrier to entry for those who wish to volunteer to join the committee.

However, a limited number of directors can make certain things harder - in the event a director steps down or moves away, the directors without portfolio ensure that we can achieve quorum to appoint new directors or carry on other business. One important note - the directors without portfolio are equally responsible for all legal and compliance matters relating to the company.

What stays the same?

Most everything else stays the same. For the vast majority of the players, and even most captains, everything functions as it always has. People who work closely with the committee (for example, those that help book pitches, or those that organize tournaments or training sessions) will likely see some additional admin.

How will the transition happen?

Assuming we ratify the Articles, we will submit them during the off season. The elected Director, Treasurer, and Secretary will become the first directors assuming they are eligible, as well as additional committee members to ensure we have a total of five directors. All directors will step down at the next AGM - from then on, directors (including directors without portfolio) will be elected at the AGM.

We will also gather an initial list of team representatives at the AGM - these will be the first members. From then on, teams will nominate (or re-nominate) their member representative as part of registration for the season.