

## Answers to Frequently Asked Questions

Q. What lease?

A. The lease that was needed by way of 'security of tenure' in case the funding granted by the National Lottery, Sport England and others in 2000 (to build the new clubhouse and extend the car-parking) became repayable within the following 20 years. As Devizes Sports Club (DSC") was and remains an unincorporated association, the lease had to be granted to its Trustees, who hold it on behalf of all the individuals who are members of DSC at any given time.

Q. Is that grant-aid still repayable?

A. No; it is no longer recoverable by the National Lottery, Sport England or any of the other funders. Therefore, the purpose of the lease has been served and it is now a liability, when equivalent arrangements (for use, car-parking, etc.) could and would be agreed instead.

Q. So, what's the problem with simply keeping the lease in place?

A. At the outset, it was thought that revenue generated throughout the year, from bar sales and from hiring out the hall, would be sufficient not only to cover all running costs, charges and expenses but also to yield surpluses that would cover maintenance and provide for contingencies, as well as building up a reserve against DSC's liability for future repairs and dilapidations as tenants under the lease. The reality is that, in recent years, income has not been sufficient to cover expenditure, so DSC's capital and reserves have been exhausted and creditors have not been paid on time. Furthermore, utility and other costs are rising all the while; the practical issues of day-to-day maintenance and management need to be resolved; DSC could be required, in the near future, to undertake necessary decoration and repair work as the tenants; and it is entirely foreseeable that more extensive (and expensive) works will need to be carried out, both year-on-year and at the expiration of the lease.

Q. Why would I vote in favour of the Resolution?

A. Because you can see that, while the current financial model of DSC is broken, the Chairs of the 3 Constituent Clubs have been working together but need a few more months to find a viable solution. At the same time, there needs to be a date for them to work to; and there is a constitutional safeguard built-in, which allows for the Resolution to be rescinded by the members of DSC before that date if the 3 Constituent Clubs can now unanimously agree a new financial model.

Q. Why wouldn't I vote in favour of the Resolution?

A. Because you are not bothered by the fact that, as an individual member of Devizes Sports Club, you are personally liable for the unpaid debts, the utility and other costs, charges, expenses and outgoings that have been incurred, are being incurred and will continue to be incurred by DSC as long as that lease remains in place.

Q. Why aren't you proposing the complete liquidation of DSC and its assets?

A. The Trustees of DSC also hold the freehold title to the 2 second pitches, which are currently subject to (agreements for) leases to the Cricket Club and the Rugby Club respectively. That land could become an asset of substantial value for development purposes however, in the years to come. It makes commercial sense for the Trustees to retain that land as an asset on behalf of DSC as a whole, rather than liquidating that asset at this point in time. It is just the liability (in the form of lease of the clubhouse and car-parking) that needs to be addressed now, rather than allowing the broken financial model to continue for another year. All the while, the composition and constitution of DSC itself remains unaffected.