**Summary of the advantages and disadvantages of incorporation**

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|  | **Unincorporated** | **Incorporated** |
| **Liability** | Individuals may have to meet any outstanding debts personally. | Individual liability is limited to guarantee or unpaid share capital. |
| **Ownership** | It is not possible to enter into contacts in an organisation’s name and there are difficulties with members’ authority to do so. | A corporate body may own property and enter into contracts in its own right. |
| **Risk** | Risk can be unequally distributed among members. | Risk is more equal. All members are treated the same unless there is some other agreement in place. |
| **Cost** | There are generally no or limited start-up costs. | There will be start-up costs plus annual fees (although a relatively small amount). |
| **Administration** | None needed by law (unless a charity). | Ongoing records need to be kept and filed with the appropriate registry. |
| **Privacy** | Complete (unless a charity). | Certain details, such as governing body members’ addresses, are on public record. |