

Response to questions asked at the AGM 02 February 2020

Question 1: Peter Greenwood asked if members were now safe from liability.

JAB replied that since this was the main reason for pursuing charitable status, this question would have been asked in our deliberations and assurances gained. However, he could not quote chapter and verse but would seek confirmation and make it known.

Answer: As was said at the AGM, the whole point of becoming a charity was to limit the liability to which our previous, unincorporated status exposed all members. It was also pointed out that our previous status did not permit us to enter into contracts.

Our exploration of alternative ways to organise ourselves sought to answer both of those issues and Charitable Incorporated Organisation (CIO) fitted the bill. All of the options we looked at included limited liability for members and made our Gallery position legal. Our advice was that CIO was our best option.

It has to be said this does not mean we can act with impunity and get away with it. Any trustee or member found to be acting against the law would be personally liable to prosecution. This would apply to any individual or organisation. Other members and trustees would not be liable unless implicated or found to be negligent. Trustees are also charged with ensuring that the charity acts within the rules of the Charity Commission, its own Constitution and the policies it has adopted.

Having scrolled through the Charity Commission's websites, we have been unable to come up with a direct reference about liability. However, there are plenty of sources of advice on-line, all of which come to the same conclusion and confirm members and trustees have limited liability (usually £1).

Below are some examples of websites that list the advantages of being a CIO.

<https://blog.thebiggive.org.uk/advice/what-is-the-final-word-on-the-benefits-of-cio/>

<https://www.formationsdirect.com/benefits-of-a-cio>

<https://www.plummer-parsons.co.uk/not-profit/charities/charitable-incorporated-organisations-cios>

<https://communitysouthwark.org/sites/default/files/images/Charitable%20Incorporated%20Organisations%20-%20CIOs.pdf>

<https://makeanimpactcic.co.uk/2018/10/what-are-the-benefits-of-being-a-cio-instead-of-a-cic-2/>

Question 2: Dawn Goodson asked if the Trustees had insurance protection.

JAB and LM confirmed that special insurance for Trustees had been taken out but again the full implications were not to hand. They undertook to clarify and report back.

Answer: We have taken out additional insurance as part of the insurance that covers our work in relation to The Gallery Upstairs. We paid £55 for cover to the value of £50,000. This is called "Trustee Liability" and the insurers undertake to pay costs incurred should a trustee be faced with a claim against them or be prosecuted for any reason.

Members can view that insurance by "Victor Insurance" at <http://www.victorinsurance.co.uk/policy-wordings>