

What does the word “guarantor” mean?

Friends of the Dales is a registered charity (number 515384) but is also a company limited by guarantee (number 1822908). Our company name is Yorkshire Dales Society, as this is the name first used when the company was set up in 1986. Being both a registered charity and a company limited by guarantee is a common arrangement for charities set up around that time.

Being a membership company, our Members have voting rights and must, for example, approve the adoption of the Annual Report and Accounts at each AGM (Annual General Meeting).

Being a company limited by guarantee means that legally each Member has to be a "guarantor". This has no impact unless at some point in the future the company could not meet its debts and had to be wound up. At that point each Member would be asked to contribute a sum towards those debts.

The contribution from each Member is set legally at no more than £1 per Member.

This is the relevant extract from our Articles of Association (our constitution) of the company

3 The liability of the members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;*
- (2) payment of the costs, charges and expenses of winding up; and*
- (3) adjustment of the rights of the contributories among themselves.*

You can read our charity entry on the Charity Commission website, and the company entry on the Companies House Website.

As Treasurer, I can reassure you that the charity is on a secure financial footing. A copy of our latest accounts (2019/20) and Articles of Association are available on our website. However if you would like a copy of these sending to you by email or post please email ann.shadrake@friendsofthedales.org.uk .

We have an active and experienced Board of Trustees who oversee the business of the charity and ensure that we comply with all the requirements of the Charities Commission and Companies House.

Dr Ian Harrison
Treasurer
August 2020



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