

*These notes refer to the Companies Act 2006 (c.46)
which received Royal Assent on 8 November 2006*

COMPANIES ACT 2006

EXPLANATORY NOTES

TERRITORIAL EXTENT AND DEVOLUTION

Part 4: a Company's Capacity and Related Matters

Section 51: Pre-incorporation contracts, deeds and obligations

141. This section restates section 36C of the 1985 Act. A company is not bound by a contract purportedly made on its behalf before it came into existence unless the obligations are novated, i.e. a new contract must come into existence after incorporation on the same terms as the old one. Novation may be express or implied.