

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

# COMPANIES ACT 2006

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## EXPLANATORY NOTES

### TERRITORIAL EXTENT AND DEVOLUTION

#### **Part 2: Company Formation**

##### *Section 11: Statement of guarantee*

50. This section replaces section 2(4) of the 1985 Act. It sets out the contents of the statement of guarantee that must accompany the application for registration where it is proposed that a company will be limited by guarantee on formation.
51. The statement of guarantee is essentially an undertaking, given by the founder members of the company, to contribute to the assets of the company up to a specified amount in the event of it being wound up. New members must also agree to make the same contribution.
52. A member of a company limited by guarantee is only liable to contribute to the assets of a company if it is wound up during the time that he is a member or within one year of him ceasing to be a member.
53. Like the statement of capital and initial shareholdings the statement of guarantee must contain such information as may be prescribed by the Secretary of State, in regulations made under the Act, for the purposes of identifying the subscribers to the memorandum (i.e. the founder members of the company).