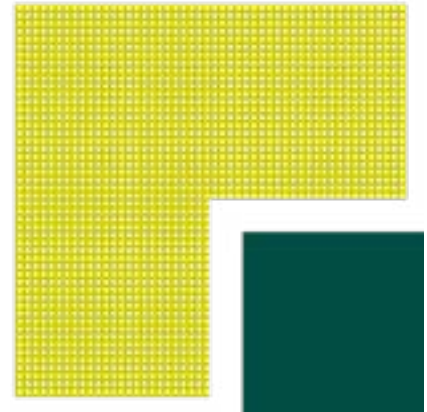


# PUBLIC LIMITED COMPANY BY SHARES

## FACTSHEET



### KEY FEATURES

#### PUBLIC LIMITED COMPANY BY SHARES (A "PLC" COMPANY)

Key Features	Commentary	Ref. in Act
Governing legislation	Part 17 of the Companies Act 2014 (the "Act")	Part 17
Contractual capacity	As stated in the objects set out in its Memorandum and must undertake an activity in Ireland	s.1005, s.1011
Corporate Governance	Constitution document which includes a Memorandum and Articles of Association	s.1006. Sch.9
Name	Must end in "Public Limited Company" or "plc" or in Irish "Cuideachta Phoibli Theoranta" or "cpt"	s.1008
Liability of members	Limited to the amount, if any, unpaid on the shares registered in the member's name at the relevant time	
Share Capital - Statutory Provisions	Minimum allotted share capital requirement of €30,092 of which 25% or more must be paid up	s.1000(1)(b)
Members - minimums	7	
Members - maximum	Limited	
Directors	Minimum of 2	s.128
Company Secretary	One must be appointed and be suitably qualified	s.129
Resolutions	Ordinary Resolutions by simple majority, Special Resolutions 75% or more of members	s.191
Annual General Meeting	Required every year	
Financial Statements	Cannot claim audit exemption and dormant company audit exemption	

# Is a PLC the right set up for you?

Find out how UHY FDW can assist your business



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## TYPICAL USES

A public limited company is the most commonly used company within Ireland and are typically used in circumstances which require a separate legal entity and corporate protection for:

- Where a public listing is sought on a recognised stock exchange
- Companies needing to raise large amounts of capital to fund corporate activities from general public
- holding property
- undertaking investments
- holding of limited interests in a partnership
- being a participator in a joint venture
- carrying on a trade

## SOME OF THE ADVANTAGES OF USING A PLC

### Legal Personality

- Having a separate legal entity means that the company can enter into contracts in its own name
- Can hold property in its own name
- The company can sue and be sued

### Liability

- Members have limited liability and are only liable to contribute in the event of a winding up to the amount, if any, unpaid on the shares they hold
- If a creditor sues a PLC and is awarded a sum of money (simple debt or award of damages) then the creditor cannot pursue and enforce the order against the personal assets of the company's members

### Perpetual Succession

- Perpetual succession arises by virtue of the company having a

separate legal personality

- No transfer of assets is required when a person involved in the company (either as a member or director) leaves and a new person joins

### Commercial Funding

- The company can provide a creditor with security over the company's assets without necessarily hindering their use
- Additional capital can be raised by issuing more shares to existing shareholders or the public at large
- Shares can be traded on a stock exchange and be used for acquisitions of other companies/businesses

### Change of Ownership

- Pre-emption rights as to the transfer of shares
- Shares can be bought and sold in the open market

## SOME OF THE DISADVANTAGES OF USING A PLC

### Statutory Obligations

- Audited annual returns and accounts have to be filed with the Companies Registration Office ("CRO")
- All documents filed with the CRO are available for public inspection. In particular filed accounts can then be accessed by the public, media and competitors and this makes it easy to find out information on cost structures, margins, earnings, staff salaries, dividend payments to shareholders and other sensitive financial data and may also give rise to unsolicited correspondence
- Higher levels of transparency required

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## Costs – Setup and Ongoing

- A public limited company is more expensive and time consuming to set up than a private company, sole trader or partnership and if quoted there are requirements to be met
- Cost of undertaking statutory requirements can be expensive

## Administration

- There is separation of ownership and control which means that the owners (members) no longer make all the decisions
- Statutory requirements such as those regarding the passing of resolutions can be cumbersome, time consuming and expensive
- A PLC company still needs to have a company secretary and the company secretary needs to be suitably qualified
- Control over the corporate business is not so confined as in a private limited company

## Commercial

- The director of the PLC will be accountable to all the external shareholders, after the company listed on a stock exchange
- Company performance and value of the company is governed by the financial market
- Higher public analysis of the company's financial performance and actions
- Control of the company can change more readily
- Greater shareholder/member influence over corporate operations

