PUBLIC LIMITED COMPANY

CRO®

What makes it a "Public Company"?

A Public Limited Company differs from the much more common Private Limited Company primarily in that it can offer its shares to the public, although many PLCs are in effect privately owned until they become listed on either the London Stock Exchange or the Alternative Investments Market AIM.

There is no obligation for a PLC to offer its shares to the public, nor indeed to become a listed company. It is possible to convert a Private Company to a Public Company and vice versa subject to specific rules and regulations. Many companies that have become listed PLCs started life as Private Limited Companies.

Key Points

- A PLC is the only type of company that can offer its shares openly to the public
- Can be listed on the Stock Exchange
- Can undertake any nature of business
- Can operate anywhere in the world
- Shareholders have limited liability
- Can be incorporated in most circumstances within hours
- Own choice of name
- High initial capital commitment

Special Conditions

- A PLC must have a minimum issued capital of £50,000
- At least 25% (£12,500) of this minimum must be fully paid up before the Registrar of Companies can issue a Certificate for Commencement of Trading. This Certificate must be issued before the company commences any business transactions.
- A PLC must have at least two directors
- A PLC must have a Company Secretary who has the necessary professional qualification or experience

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