

CORPORATE GUIDE - PUBLIC AND PRIVATE COMPANIES COMPARED

Private company (Ltd/Limited)	Public company (plc)
Company administrative matters	
<ul style="list-style-type: none"> • Must have at least one director. • No company secretary required. • Annual general meetings not required to be held. • Shareholders can pass resolutions in writing (except where the resolution relates to certain prescribed matters for example, the removal of a director). • Not required to appoint auditors annually. 	<ul style="list-style-type: none"> • Must have at least two directors. • Company secretary required. • Annual general meetings must be held. • Shareholder written resolutions are prohibited. Shareholders of a public company can only pass resolutions at a general meeting. • Required to appoint auditors on an annual basis.
Company accounts	
<ul style="list-style-type: none"> • Certain small companies are not required to audit their accounts and can file shortened accounts at Companies House. • Private companies have 9 months to file their accounts at Companies House from the date they are due. 	<ul style="list-style-type: none"> • Accounts must be audited. • Public companies have 6 months to file their accounts at Companies House from the date they are due.
Share capital	
<ul style="list-style-type: none"> • Private companies do not have an authorised minimum nominal value of allotted share capital. A private company's shares must have a fixed nominal value which can be less than 1p. Only one share for that fixed nominal value need be in issue. 	<ul style="list-style-type: none"> • A public company has an authorised minimum nominal value of allotted share capital of at least £50,000 (or prescribed euro equivalent), of which at least one quarter plus any premium must be paid up (on each share).
Share issues/allotments	
<ul style="list-style-type: none"> • Shares may be issued for non-cash consideration and no expert valuation report is required. • Directors have authority to allot shares if the company has only one class of share. If the company has more than one class then the directors require express authority in the articles of association or by agreement from a majority of the shareholders. 	<ul style="list-style-type: none"> • Shares may be issued for non-cash consideration but an expert valuation report is required to value the shares. • Directors only have authority to allot if this is given in the company's articles of association or by agreement from a majority of the shareholders.
Offering shares to the public and financial assistance	

<ul style="list-style-type: none"> Prohibited from offering any shares or debentures in the company to the public. Can give financial assistance for the purchase of shares in the company. 	<ul style="list-style-type: none"> Permitted to make a public offer of shares and/or debentures in in the company. Prohibited from giving any kind of financial assistance for the purchase of shares in the company
City Code on Takeovers and Mergers	
<ul style="list-style-type: none"> The Takeover Code does not apply to private companies but, if the company has re-registered from a public company to a private company and it fits within the criteria such that the code continues to apply, then the Company will need to refer to the Takeover Code when making certain decisions. 	<ul style="list-style-type: none"> The Takeover Code applies automatically even if the public company is not a listed company.

KEY CONTACTS

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The information contained in this guide is intended to be a general introductory summary of the subject matters covered only. It does not purport to be exhaustive, or to provide legal advice, and should not be used as a substitute for such advice.

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