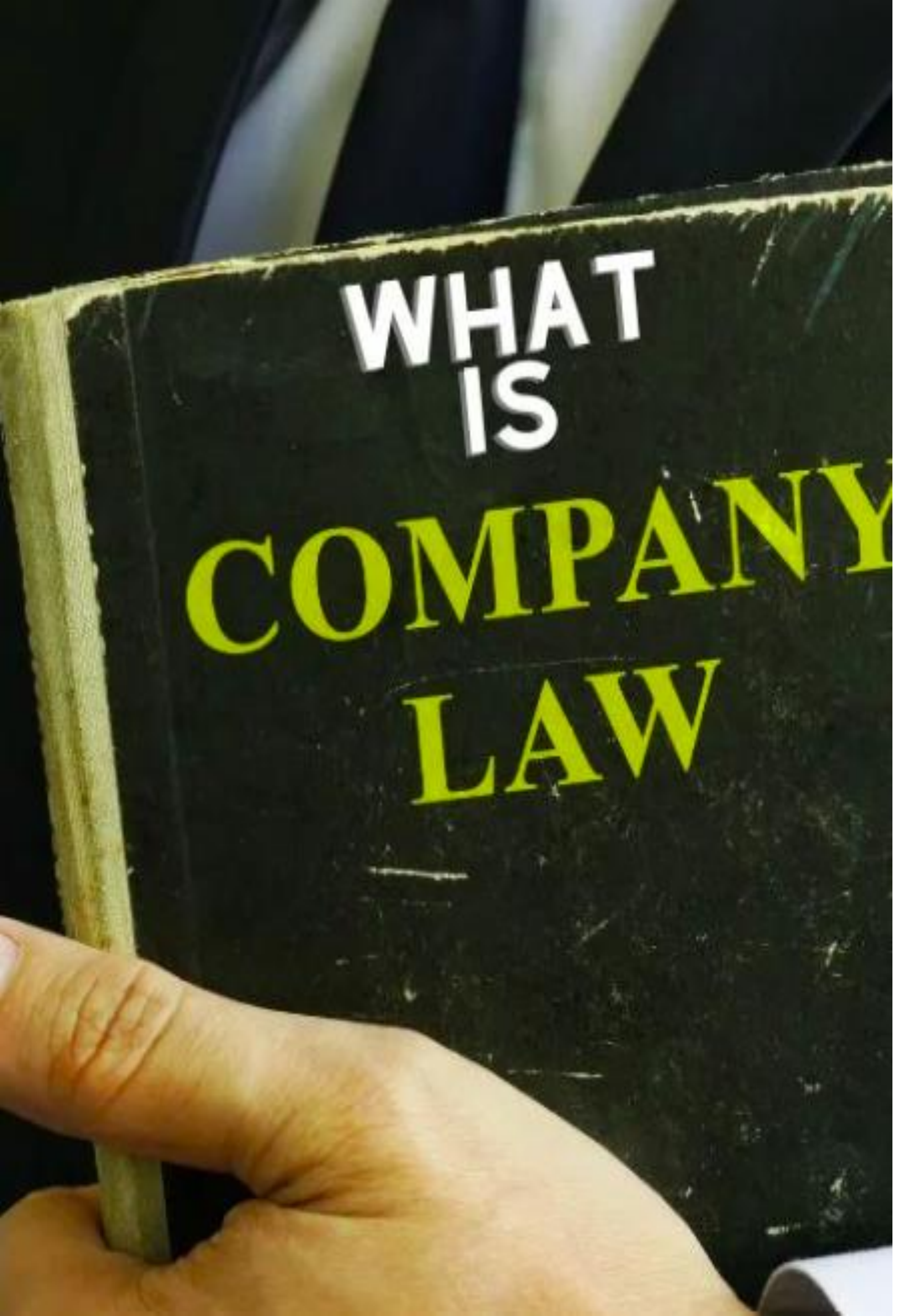
English

2025 ZAINEB.MEZDOUD

Plan



Company Law

Company Law is a set of legal factors that govern the formation, operation, and dissolution of a company. Regarding the senior management and the Board of Directors, their responsibilities, roles, and accountability include stakeholder rights and fair treatment, transparency, timely disclosures, legal and regulatory compliance, and appropriate risk management measures to protect and enhance the interests of all stakeholders.

sole trader

- A sole trader is a self-employed person who owns and operates their business as an individual rather than through an incorporated business structure, such as a limited company or limited liability partnership. There's no legal distinction between the individual and the business – the person is the business.
- However, while a sole trader owns and controls 100% of the business, they don't have to work or run it alone. They can employ staff on a permanent or part-time basis, just like any other type of commercial enterprise.

The advantages of being a sole trader

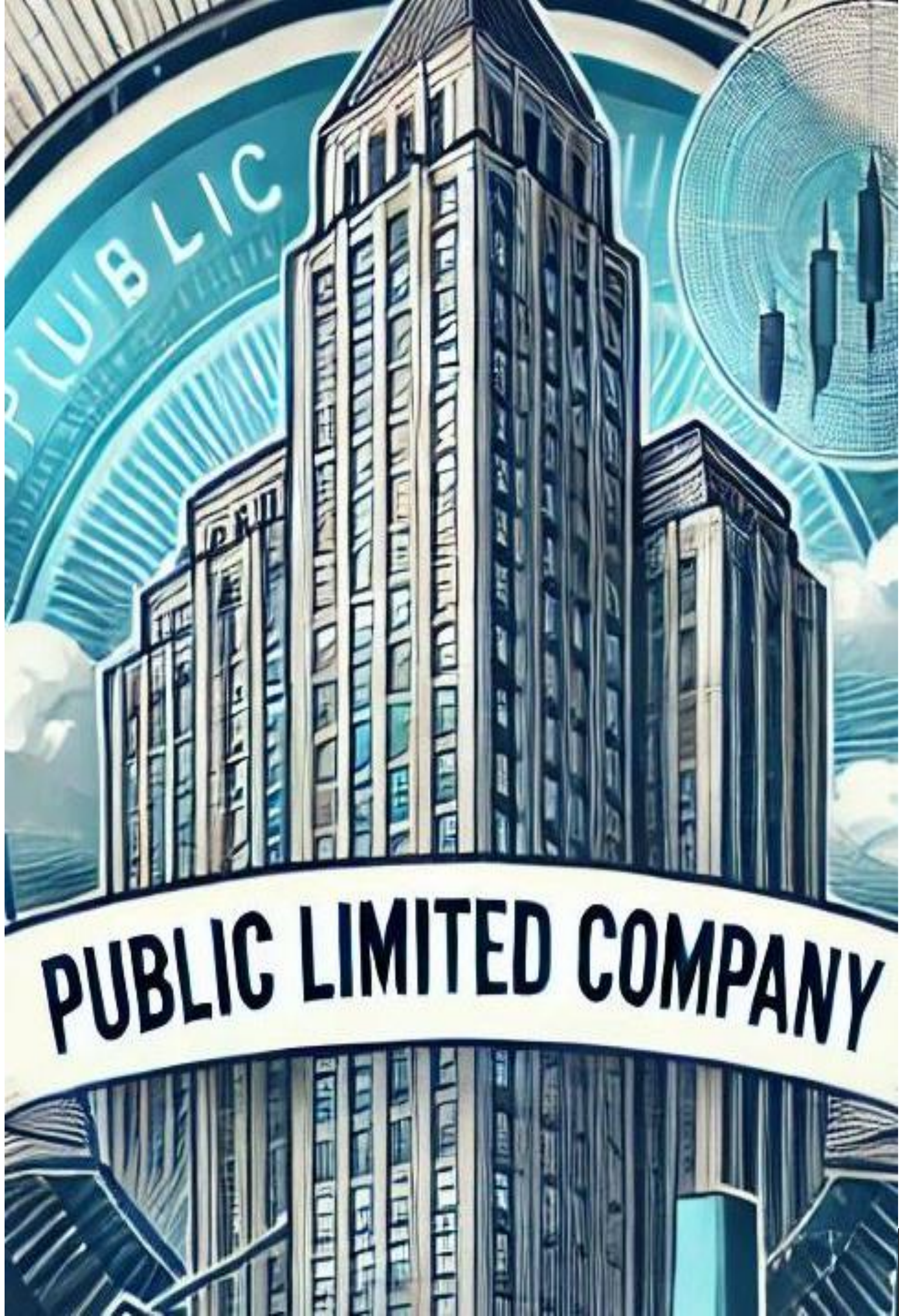
- Simplicity
- It's free to register as a sole trader
- . Less administration and fewer reporting requirements
- . Confidentiality
- No directors' duties
- Flexibility

The disadvantages of being a sole trader

- Personal liability
- Marketing and credibility
- Raising capital
- Tax efficiency
- Transfer of business ownership by sale or succession
- Business name protection

Public Limited company

- A public limited company (PLC) is a type of public company that's allowed to offer its shares to the public and is listed on a stock exchange. PLC is the equivalent of a U.S. publicly traded company that carries the Inc. or corporation designation.
- The use of the phrase “public limited company” or the PLC abbreviation after a company's name is mandatory. This signals to investors and other parties that the business is publicly traded and subject to stringent financial regulations and reporting requirements.1
- As PLCs, companies gain the ability to raise money by selling shares to the public. Still, they may also face greater scrutiny and regulatory requirements, along with the potential for conflicting interests among shareholders and the risk of hostile takeovers.

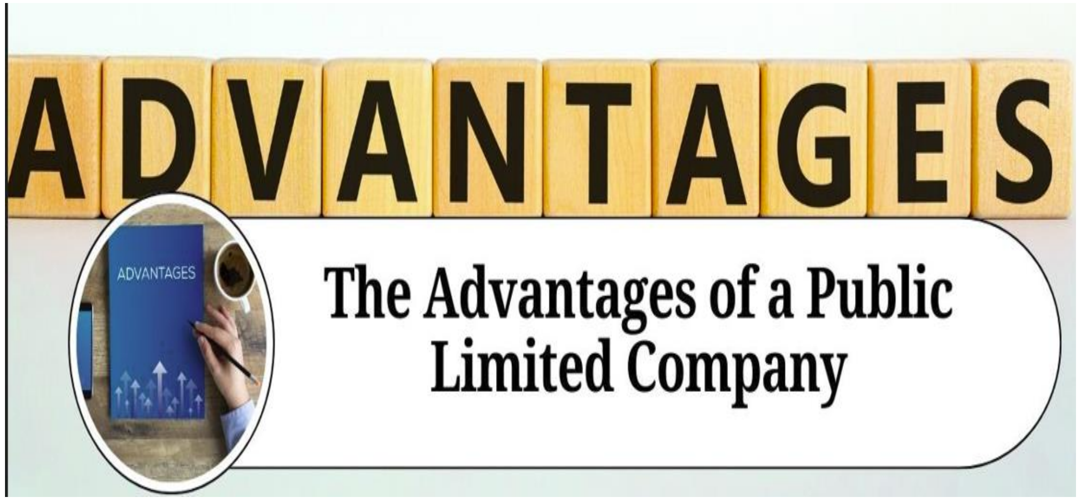


The features of a public limited company

- PLCs can sell shares to the public via a stock exchange;
- This type of organisation collects share capital through the sale of shares to members (the shareholders of a company);
- The company must have issued share capital of at least £50,000 and sold 25% of the value of its shares prior to registration;
- Like LTDs, members of PLCs have limited liability for the company's debts (they are only responsible for the value of their shares or any personal guarantees made against loans);
- PLCs are viewed as distinct legal entities that are separate from their members;
- They must have at least two directors (compared to just one for LTDs);
- PLCs need at least two shareholders to register;
- A PLC must have a company secretary with an ICSA qualifi cation.

Who can buy shares in a public limited company?

- Once shares in a PLC have been quoted on a stock exchange, anyone is able to buy them. This is one of the critical downsides of publicly listed firms as it can result in a loss of control over the company



Advantages and disadvantages of public limited companies

Raising investment	*Reduced risk*	*Developing new networks and business links*	*Easier access to loans and other forms of finance*	*Brand awareness and prestige*
Increased regulation and requirements	*Potential loss of control*	*Greater need for transparency*	*Stock market vulnerability*	*Vulnerable to takeovers*

Disadvantages of public limited company

Two directors are needed for a PLC, whereas a Ltd only needs one

More regulated both for taxes and Companies House

HMRC tax deadlines are shorter for public companies

Unlike Ltd’s company secretaries, a PLC’s company secretary must be fully qualified

Shareholders can be anyone who chooses to purchase, which can dilute a unified company vision

More vulnerable – the more shareholders there are, the more power has been distributed

A public limited company must hold an annual general meeting

Thank you

QUESTIONS?