

# Companies

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# Questions to be considered

- ☐ Types of companies
- ☐ Company performance





# Types of companies



Commercial

Non-commercial



The ultimate  
goal is making  
profit

Companies are  
created for social  
purposes





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*Commercial companies can be also involved in social activities through charity but this is not their core business*

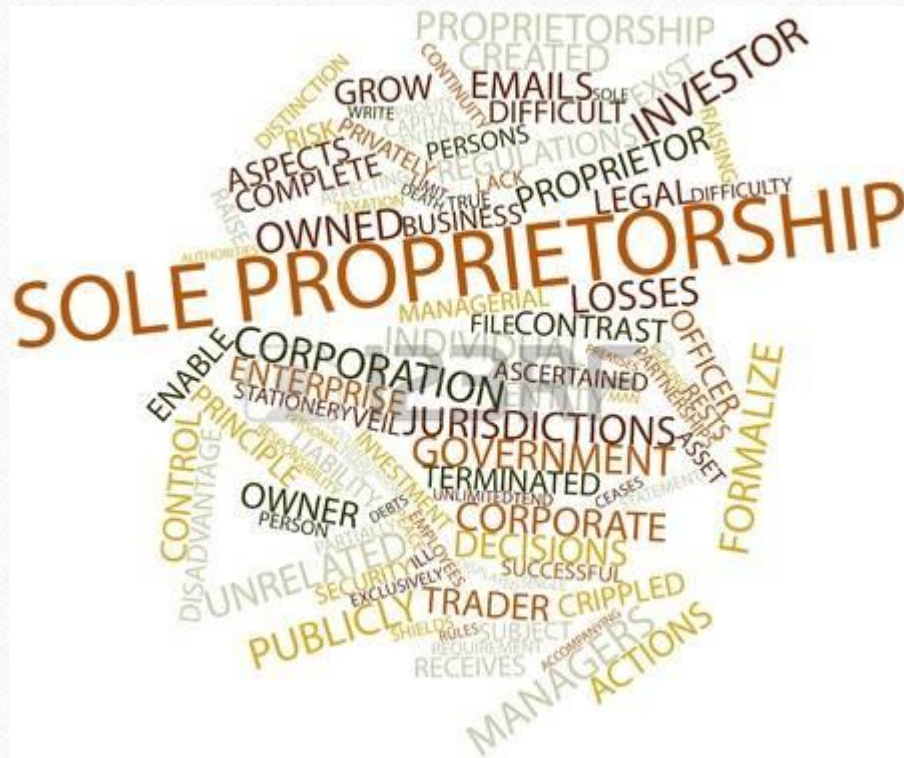
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We will mainly concentrate on commercial organizations.

*According to the type of ownership in the UK there are distinguished the following types of companies:*

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- ☐ Sole trader
- ☐ Limited company
- ☐ Partnership





# Sole trader

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- One person sets up and runs the co
- Provides all the capital and has unlimited liability for business debts



The capital is divided into shares, which are held by shareholders.

# Limited company

## Private limited company

- All shareholders must agree before any shares can be bought or sold.

Shareholders are the owners of the company, but not its managers.



## Public limited company

- Shares are bought and sold freely, for example on the stock exchange.

To manage the company they hire the Board of Directors who are not the owners of the company but only its managers.



# Partnership

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## Unlimited partnership

– if the business fails, they are fully liable for all debts, and may even have to sell personal assets



## Limited partnership

– there can be sleeping partners who do not participate in management of the company

Sleeping partners have  
limited liability





We can distinguish companies from the  
point of view of their scope

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a small  
local  
company

a  
middle-siz  
ed  
company

a big,  
multination  
company

# Companies can operate:

- locally (on a limited territory or in a certain region),
- nationally (within one country),
- internationally (in a number of countries).

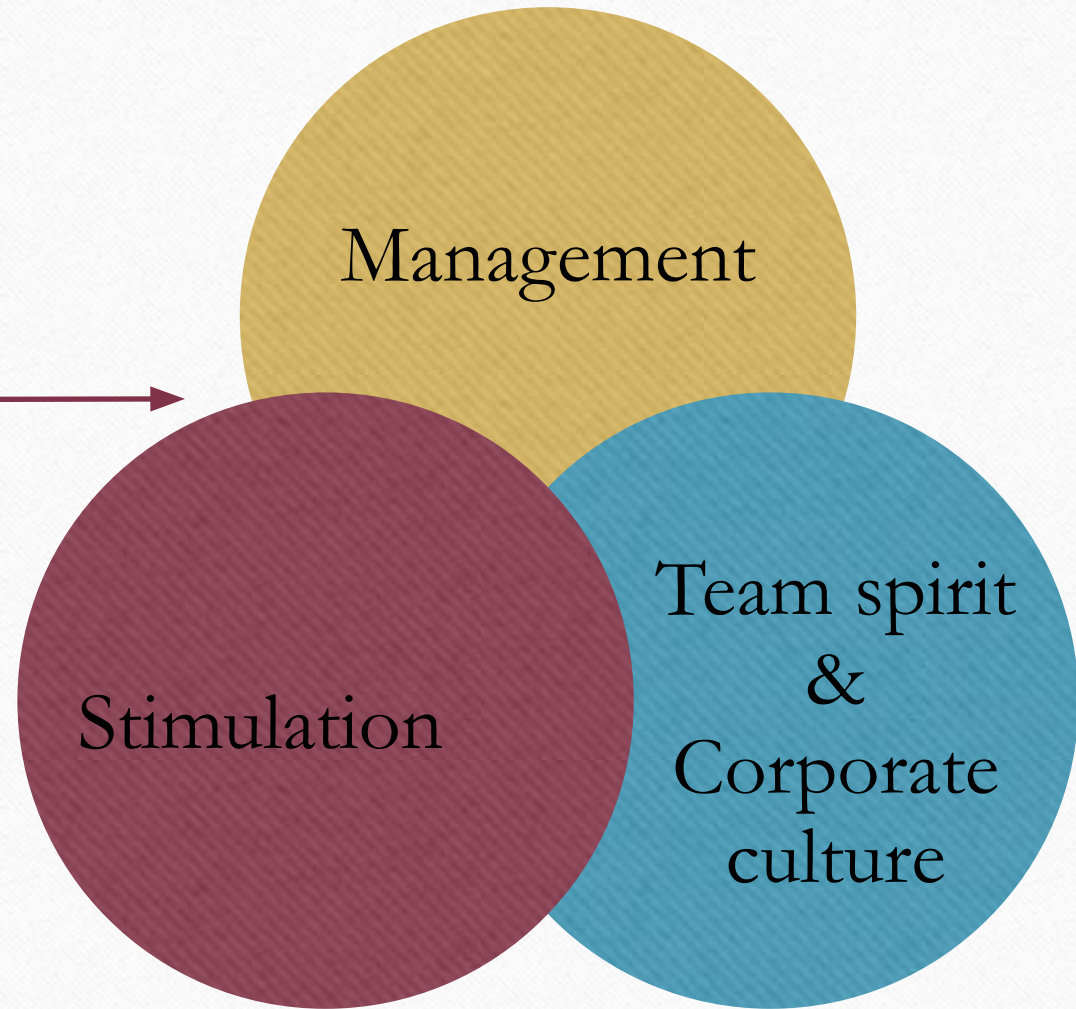
The latter are called  
multinationals. It usually takes  
much time to become a  
multinational company.





# Company performance

can depend on the  
following things



# Methods for assessing the effectiveness of the company

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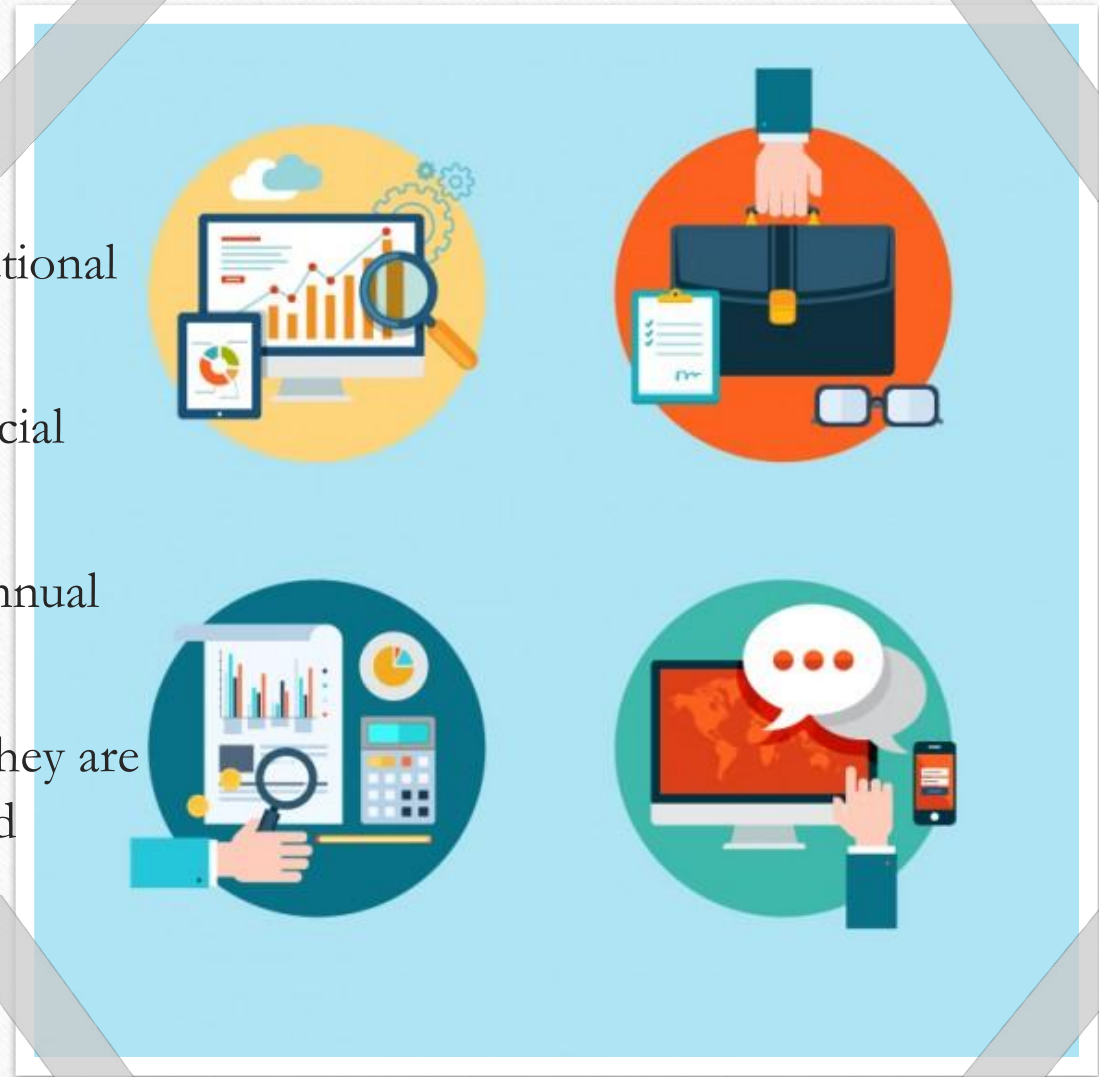


- Clipping
- Rumours and talks
- Visiting open press events
- Industrial espionage
- Referring to documents



## Summary:

- Management accounts provide data about operational efficiency.
- Financial accounts give information about financial performance of a company.
- A company financial affairs are presented in a annual report.
- A company should regularly evaluate how well they are performing to foresee the possible problems and undertake the necessary measures in advance.



**Thank you for attention!**

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