



- **sole trader** (sole traders) N-COUNT
sole proprietor (sole proprietors) N-COUNT

A **sole trader** is a person who owns their own business and does not have a partner or any shareholders. The **sole proprietor** of a business is the owner of the business, when it is owned by only one person.

*Finance for a sole trader usually comes from the individual's own savings or from family and friends.
...a firm of solicitors of which he was the sole proprietor.*

- **partnership** (partnerships) N-VAR

Partnership or a **partnership** is a relationship in which two or more people, businesses, or industries work together as partners.

*...the partnership between Germany's banks and its businesses.
Alex and Mikhail were in partnership then: Mikhail handled the creative side; Alex was the financier.*

- **limited company** (limited companies) N-COUNT
limited liability company (limited liability companies) N-COUNT

Ltd ABBREVIATION

A **limited company** or **limited liability company** is a company whose owners are legally responsible for only a part of any money that it may owe if it goes bankrupt. The word **Limited** or the abbreviation '**Ltd**' is used in the name of a company to show that it is a limited company. [mainly BRIT]

*They had plans to turn the club into a limited company.
There are advantages in being a limited liability company.
He is the founder of International Sports Management Limited.*

- **plc** (plcs) N-COUNT

In Britain a **plc** is a company whose shares can be bought by the public. **Plc** is usually used after the name of a company and is an abbreviation for 'public limited company'.

*...British Telecommunications plc.
This licence would not allow him to trade as a plc.*

- **franchise** (franchises, franchising, franchised)

① N-COUNT

A **franchise** is an authority that is sold to someone by an organization, allowing them to sell its goods or services or to take part in an activity which the organization controls.

*...the franchise to build and operate the tunnel.
Talk to other franchise holders and ask them what they think of the parent company.*

② VERB

If a company **franchises** its business, it sells franchises to other companies, allowing them to sell its goods or services.

*She has recently franchised her business.
It takes hundreds of thousands of dollars to get into the franchised pizza business.*

- **franchisee** (franchisees) N-COUNT
franchiser (franchisers) N-COUNT
franchising N-UNCOUNT

A **franchisee** is a person or group of people who buy a particular franchise. A **franchiser** is an organization which sells franchises. **Franchising** is the act of selling franchises in a business.

*Gianfranco Ferre, the Italian fashion house, has seen its main British franchisee go bust.
...Dunkin' Donuts, a franchiser of doughnut shops.
One of the most important aspects of franchising is the reduced risk of business failure it offers to franchisees.*

- **holding company** (holding companies) N-COUNT

A **holding company** is a company that has enough shares in one or more other companies to be able to control the other companies.

...a Montreal-based holding company with interests in telecommunications, gas and natural resources.

- **subsidiary** (subsidiaries) N-COUNT
parent company (parent companies) N-COUNT
wholly-owned subsidiary (wholly-owned subsidiaries) N-COUNT

A **subsidiary** is a company which is part of a larger and more important company, known as the **parent company**. A **wholly-owned subsidiary** is a company whose shares are all owned by another company.

*...British Asia Airways, a subsidiary of British Airways.
Each unit including the parent company has its own, local management.
The Locomotive Construction Company Ltd is a wholly-owned subsidiary of the Trust.*

- **sister company** (sister companies) N-COUNT

Sister companies are two or more companies which are owned by the same parent organization.

...Midland Bank's sister company, the Hang Seng Bank.

- **associated company** (associated companies) N-COUNT

An **associated company** is a company in which between 20% and 50% of the shares are owned by another company or group.

A large shareholding should provide considerable influence (but not control) over the associated company.

- **group** (groups) N-COUNT

A **group** is a number of separate commercial or industrial firms which all have the same owner.

The group made a pre-tax profit of £1.05 million.

- ➔ **multinational**: Topic 1.4



PRACTISE YOUR VOCABULARY

1 Which terms refer to organizations that control another company, and which refer to companies whose shares are held by another company?

- a a holding company b an associated company c a parent company d a subsidiary (company)

2 Look at the four diagrams showing corporate relationships and complete each sentence with one of the terms below.

sister companies group associated companies holding company

<p>a</p> <p>The three companies are an example of a _____.</p>	<p>c</p> <p>The three subsidiaries are _____.</p>
<p>b</p> <p>The main company is a _____.</p>	<p>d</p> <p>Companies 1 and 2 are examples of _____.</p>

3 Use each term in the box to complete the paragraph.

franchisees franchise franchise agreement franchising franchiser

A company that wants to expand rapidly may choose _____ as a method. Ultramoda, an Italian clothing company, is an example of a _____ operation. Ultramoda is the _____ and sells the right to sell goods using its name to _____. These other businesses, which sign a _____ with Ultramoda, are usually small businesses, whereas the franchiser is a large international company.

4 Read the information about the four companies below and say which matches each of the terms in the box.

a sole trader/sole proprietor a partnership a limited company a plc

- a Mike Cobb set up an art gallery last year. He owns the gallery and manages it by himself.
- b Craftplay is a medium-sized firm whose shares are available on the stock market.
- c Ovenclean went bankrupt last year, but its shareholders were not made responsible for all the money it owed.
- d Brothers Gianfranco and Giancarlo Belen recently set up an import-export company. They run the business together.