

The compass group

[Business](#), [Company](#)



As we already know 'Eurest at Sainsbury's' is part of Eurest. 'Eurest at Sainsbury's' is a PLC, a public limited company. PLCs are ones in which the general public are freely able to buy and sell shares on the London stock exchange. 65% of these shares are owned by The Compass Group (Compass). Compass are the world's leading foodservice and hospitality organisation, they have a major market share in Europe and the USA. Compass PLC provides foodservices to offices, factories, railway stations, airports, universities, schools, healthcare institutes, offshore and remote sites, retail stores and shopping malls in more than 96 countries across the world. They are listed on the London Exchange and are a member of the FTSE 100.

Compass owning 65% of Eurest's shares means that they are the holding company of Eurest and 'Eurest at Sainsbury's'. This means that 'Eurest at Sainsbury's' performance affects Compass most. Any major profit boom or loss affects Compass more than any other shareholder. Also this means that Compass is more liable for any debts or losses that 'Eurest at Sainsbury's' make than any other shareholder. How this type of ownership affects 'Eurest at Sainsbury's' PLC

'Eurest at Sainsbury's' being a PLC means that their shareholders have limited liability. This means that their shareholders are not individually liable for any losses or bankruptcy. What happens is that if the company experiences losses, the share price for the company goes down and if the company makes significant profits, the share price goes up. So any profits or losses are distributed to the shareholders/ owners. As we have already seen Compass are the main shareholders of 'Eurest at Sainsbury's' and so

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therefore any profits or losses affects them most. So 'Eurest at Sainsbury's' are under pressure from Compass to grow and make more profits. Compass being the holding company is good for 'Eurest at Sainsbury's' as it means that most of their funding, stock, and various equipment is provided for by Compass.

Compass are the worlds leading Catering Company so these things should be, in theory, of the highest standard. This is also good for 'Eurest at Sainsbury's' because some of the staff, and the majority of the directors are brought in as experts in their fields. This means that these employees have vast experience and are fully qualified to do their job better than expected. One example of how the business have benefited from Compass is that all of their Sandwich boxes, serviettes, menus, sauces and cups are given to them by Compass. This saves 'Eurest at Sainsbury's' a lot of time and money and it makes it easier for the staff to do their jobs. Another example of how Compass, the holding company, helps 'Eurest at Sainsbury's' is that they provide and deal with all the payslips and pay issues. This saves 'Eurest at Sainsbury's' head office a lot of time and effort.

If 'Eurest at Sainsbury's' was not a PLC then it would be liable for all of its losses, and at the moment this would definitely not be a good thing. At the moment 'Eurest at Sainsbury's' is having a trading loss and so their share price has gone down in value, this means that if the shareholders wanted to sell their shares at the moment they would receive less money than they would have got before the trading loss. So If 'Eurest at Sainsbury's' wasn't a PLC then its owners would have to pay these losses and this would be a

nightmare for the business. Also 'Eurest at Sainsbury's' being a PLC means that they have more capital due to the sale of shares.

There are also many disadvantages of 'Eurest at Sainsbury's' being a PLC and Compass being the holding company. The major shareholders employ the main board of directors and they may or may not have as much knowledge as 'Eurest at Sainsbury's' in employing these directors. This also means that the managers and top employees are under a lot of pressure from Compass and other shareholders to make good profits and to make sure that the share price of the company rises and does not fall. For some of the employees their job is on the line if they do not live up to these requirements. Also the major shareholders and the directors make a lot of the major decisions, so in some matters 'Eurest at Sainsbury's' does not have much say in the vital decisions of their company.

For example I know from my experience that the unit managers are not happy about the prices for different foods that Compass have set. But these managers can do nothing about this as the decision has been made by Compass. Another disadvantage of 'Eurest at Sainsbury's' being a PLC is that their accounting and financial records are not private and they must be audited and made to the registrar of companies at Companies house. This means that their financial records can be publicly viewed and commented on. This can give the company bad publicity and it can give their rival businesses an idea of how the business is doing.

Due to 'Eurest at Sainsbury's' being owned by Compass they have grown and expanded dramatically. Compass have helped 'Eurest at Sainsbury's' provide

staff canteen services to nearly all Sainsbury's stores across the UK.

Compass have given 'Eurest at Sainsbury's' many set backs, but these are heavily outnumbered by the growth and success of 'Eurest at Sainsbury's', It is only in the last year that 'Eurest at Sainsbury's' have been experiencing some losses. Objectives of the business

All of the objectives, mission statement and visions are given to 'Eurest at Sainsbury's' by Compass, they are given these and expected to carry them out to the highest standard. These are given to all of the companies that compass owns and the logic is that if all the companies complete these then Compass will have successfully completed its objectives, missions and visions.