

Different types of business in the uk

[Business](#)



The paper " Different Types of Business in the UK" is a perfect example of a business assignment. There are many different types that a business can take and there is no prescriptive technique by which one can decide amongst all. The different types of business in the United Kingdom are as follow Sole Trader. A company which requires no registration other than the notification of company's local tax office, but it is also open to the elements to the greatest personal risk: as a sole trader, the owner is responsible for all characteristic of the company, and has unlimited liability to all legal actions and debts. This is the simple way of establishing a business with very few formalities; therefore the business has no separate entity from its owner and the profit of the company belongs to its owner. The cost of operations is low both for the business and its owner. Private Limited Company (Ltd). A legal body which exists as a separate entity from those who own it. The owner's liability is limited to the amount they have contributed in the company and the risk is reduced to only the money owner has invested in the company and any shares he holds which he has not yet paid for. With the potential tax compensation, limited liability and simplicity of operation a private limited company is the most common form of registered business in the UK. Due to its legal nature, this type of company is thought to be prestigious among the general public and other companies. Public Limited Company (PLC). The difference between the public limited company and the private limited company is that the public limited company can sell its shares to the public and can quote their shares on the stock exchange or any other investment markets. And it has to convince Companies House that at least shares of worth £50, 000 have been issued before it is permitted to begin business. And they have to appoint two directors before the business starts. A public <https://assignbuster.com/different-types-of-business-in-the-uk/>

limited company has a considerably higher cost of operations, and therefore, this form is suited to large organizations. Limited Liability Partnership (LLP). A Limited Liability Partnership is a business integrated at Companies House consists of two or more individuals who share the profits of that entity. It provides the owners with limited liability in the same way that a company does to its shareholders. This allows them to have the benefit of the benefit of limited liability, avoiding the complications of joint and several liabilities that apply to ordinary partnerships. There are no shares in LLP. Guarantee Company (nonprofit). A guarantee company is a not-for-profit company and is the most often created by charitable businesses. In a guarantee company, the share capital does not exist, and the members of the firm are decision-makers for the company, but they do not own it and can not receive any profits, and have no claim on the company's assets.