

A

Self-employed people and partnerships

I'm a **freelance** graphic designer, a **freelancer**.
That means I work for myself – I'm **self-employed**.
To use the official term, I'm a **sole trader**.

Note: You usually describe people such as designers and journalists as **freelancers**, and people such as builders and plumbers as **self-employed**. (See Unit 7)

We have set **up** our own architecture **partnership**. There are no shareholders in the organization apart from us, the partners. A lot of professional people like lawyers, accountants and so on, work in partnerships.

Sole owner and sole proprietor are also used both in BrE and AmE. **Sole trader** is not used in the US.

B

Limited liability

I'm the managing director and main shareholder of a small electronics company in Scotland called Advanced Components **Ltd**. 'Ltd' means **limited company**. The other shareholders and I have **limited liability**: we do not have to use our personal property, such as a house or car, to pay the company's debts.

I'm the chief executive of a British company called Megaco **PLC**. 'PLC' means **public limited company**, so anybody can buy and sell shares in Megaco on the stock market. (See Unit 36)

I'm CEO of Bigbucks **Inc**. 'Inc' stands for **Incorporated**. This shows that we are a **corporation**, a term used especially in the US for companies with limited liability.

C

Mutuals

Some companies, like certain **life insurance companies**, are **mutuals**. When you buy insurance with the company you become a **member**. Profits are theoretically owned by the members, so there are no shareholders.

In Britain, another kind of mutual is **building societies**, which lend money to people who want to buy a house. But a lot of building societies have **demutualized**: they have become public limited companies with shareholders. This process is **demutualization**.

D

Non-profit organizations

Organizations with 'social' aims such as helping those who are sick or poor, or encouraging artistic activity, are **non-profit organizations** (BrE) or **not-for-profit organizations** (AmE). They are also called **charities**, and form the **voluntary sector**, as they rely heavily on **volunteers** (unpaid workers). They are usually managed by paid professionals, and they put a lot of effort into **fund-raising**, getting people to **donate** money to the organization in the form of **donations**.

12.1 Look at the words in A and B opposite. What type of organization is each of these?

- 1 A group of engineers who work together to provide consultancy and design services. There are no outside shareholders.
- 2 A large British engineering company with 30,000 employees. Its shares are bought and sold on the stock market.
- 3 An American engineering company with outside shareholders.
- 4 An engineer who works by herself providing consultancy. She works from home and visits clients in their offices.
- 5 An independent British engineering company with 20 employees. It was founded by three engineers, who are shareholders and directors of the company. There are five other shareholders who do not work for the company.

12.2 Complete this newspaper article with the correct form of the words from C opposite. One expression is used twice.

ANGRY SCENES AS MEMBERS REJECT

(1)

There were angry scenes at the Suffolk (2) 's annual meeting as the society's (3) rejected by two to one a recommendation from its board that the society be (4) Members had travelled from all over the country to attend the meeting in London. The Suffolk's chief executive, Mr Andrew Davies, said 'This is a sad day

for the Suffolk. We need to (5) to bring the society forward into the 21st century. Our own resources are not enough and we need capital from outside shareholders.'

Gwen Armstrong, who has saved with the Suffolk for 32 years said, 'Keeping (6) status is a great victory. Profits should stay with us, and not go to outside shareholders.' ■

12.3 Match the sentence beginnings (1–5) to the correct endings (a–e). The sentences all contain expressions from D opposite.

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| 1 British companies donate around £500 million a year to charities | a with loss-making companies! |
| 2 She organized fund-raising | b in cash and, increasingly, as goods, services and time. |
| 3 Voluntary sector employees earn five to ten per cent | c parties for the charity. |
| 4 Non-profit organizations are not to be confused | d when they are helping people in their own social class. |
| 5 Research shows that volunteers give the best service | e less than they would in the private sector. |

Over to you

Is self-employment common in your country? Does the government encourage it?

Name some mutual companies. What sort of reputation do they have?

Are charities important? Which are the most active in your country?