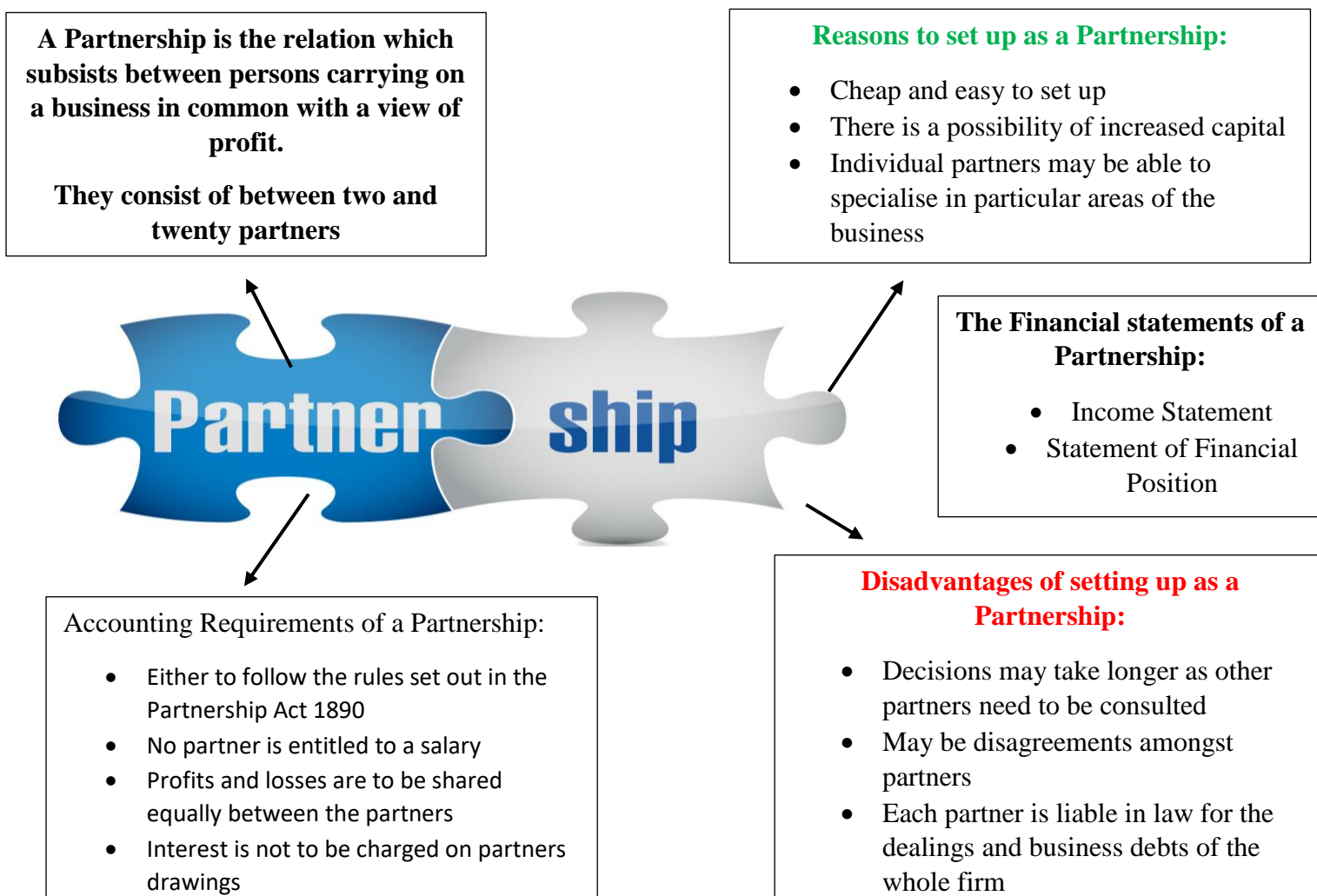
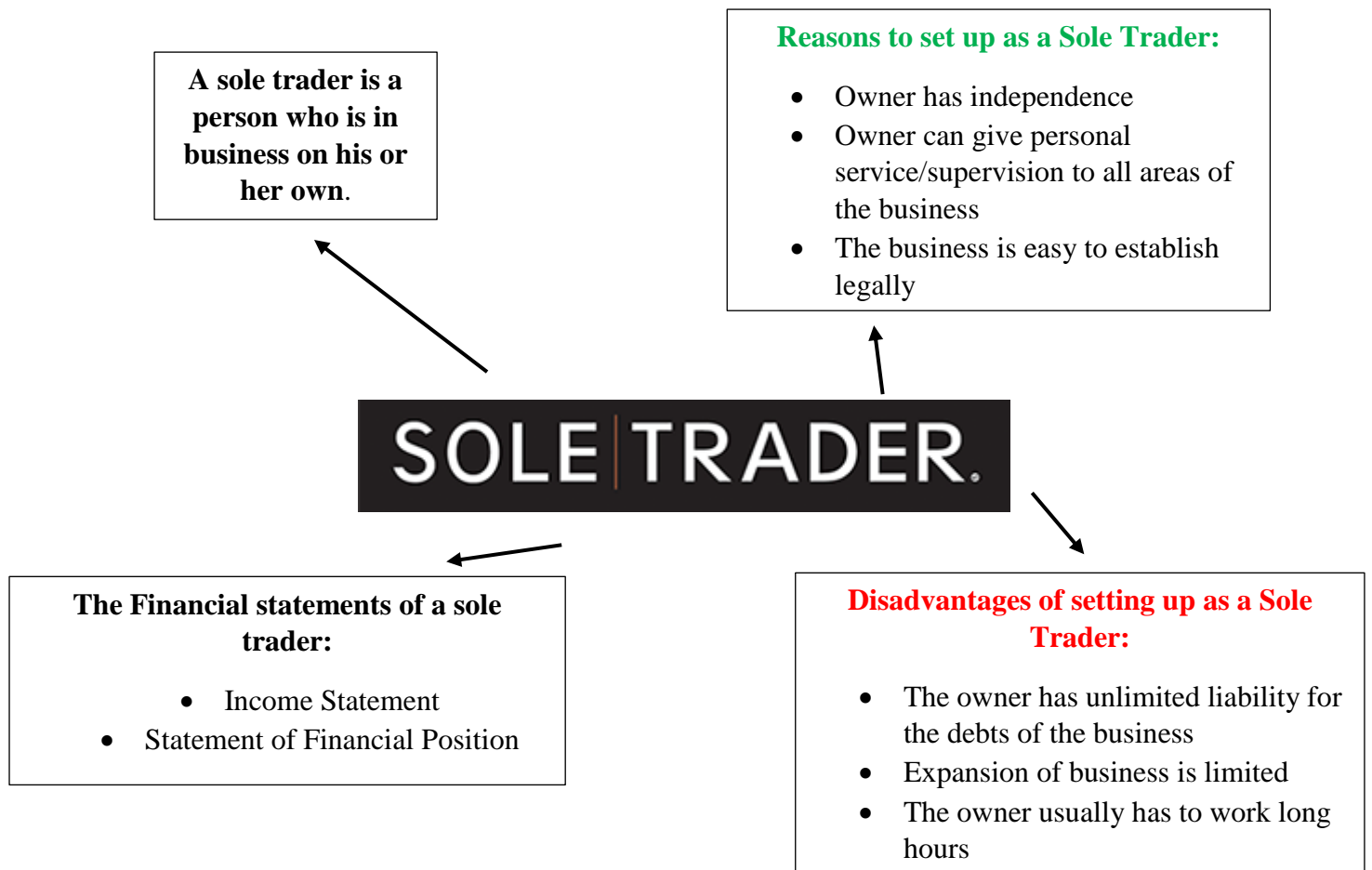


# TYPES OF BUSINESS ORGANISATION



**A Limited Company is a separate legal entity, owned by shareholders and run by directors**

# LIMITED COMPANY

## Reasons to set up as a Limited Company:

- Limited liability
- Separate legal entity
- Ability to raise finance
- Membership

## Disadvantages of setting up as a Limited Company:

There is more documentation

## The Financial statements of a sole trader:

- Income Statement
- Statement of Financial Position

Questions:

1. What is Unlimited Liability?
2. What does an Income Statement show?
3. Why should an Owner set up as a Sole Trader?