Task 1

Venetian ices was founded by Toni Seghini in 1948, he left Italy because he thought there was a big business opportunity in Britan for selling ice cream. Toni seghini started his business off by being a sole trader and, when his business grew, he formed Venetian ices Ltd

A sole trader is a person who owns their own business and runs it on their own. This is the most common form of business ownership in the UK, to set up a sole trading business all you have to do is: decide a name, Raise the amount of capital needed, and decide whether you need premises and employees. You have to be able to keep accounts, or find an accountant to do them for you; this is because every year you must send your accounts to the Inland Revenue.

The advantages for being a sole trader are:

- It's relatively easy to start, no complicated paper work or procedures.
- Decisions can be made quickly; there is no one to disagree with.
- Not much capital is needed to set up.
- Sole traders are motivated to work hard, as they keep all the profits.
- Customers may gain personal attention that large companies can't compete with.
- Sole traders only have to tell the inland revenue about the state of their business
- Sole traders can choose their own working hours and holidays

Though being a sole trader does have its disadvantages:

- Sole traders have unlimited liability, this means that if the business starts to lose money and becomes in debt they may have to use their own money or sell personal possessions in order to pay it off.
- Banks are less inclined to offer sole traders a loan as small businesses are seen as more of a risk.
- If the sole trader falls ill the business may suffer as there is no one else to run it
- Although quick decisions is a plus, some decisions may need talking over with someone, being a sole trader means there is no one who will know the business well to talk these over with.
- Larger businesses will most likely have a better price than the smaller ones, sole traders might find it hard to compete with these larger firms

In the early 1950's sales of ice cream grew rapidly and continued on a general upward trend, possibly because the people of Britan had more money after the war. However, the ice cream industry did have its problems: the government introduced new regulations that affected the manufacture of ice cream, these regulations were made law in 1955 with the food and drugs act (food safety act in 1990). This was a major problem for some of the smaller ice cream manufacturers as they did not have enough finance to make the required changes. Toni was quick to act and saw a business opportunity, he formed Venetian ices Ltd which bought out many of the smaller ice cream firms, and this expansion meant that Toni could develop take-home products and impulse lines. This transformation of the business meant that Venetian Ices was now a private limited company. A private limited company is often owned by people who know each other, these people buy 'shares' in the business therefore becoming part owners of the company. A 'share' is part of the capital, with a private limited company shares can not be transferred (sold) with out permission, this means that the owners can control who buys the shares, that is why its called a private limited company. In order to set up a private limited company there must be at least: one shareholder, one director and one secretary, other than that there is no limit to the number of shareholder a private limited company may have. All private limited companies have limited or Ltd at the end of its name, this is in order to distinguish it from a public limited company. In a private limited company the shareholders have limited liability, this means if the business was to fail and become in debt they could only be held responsible up the to value of their shares- therefore don't have the risk, like sole traders, of having to pay by selling personal possessions etc. The reason shareholders have limited liability is because the company has its own legal identity, also this means it can sue and be sued. Each year the private limited company must hold an annual general meeting (AGM) of shareholders, they also have to send a copy of accounts to the registrar of companies which is also available for public.

Advantages of a private limited company:

- Shareholders have limited liability, only liable for debts up to the value they invested in their shares
- The company can raise more money by selling more shares.
- Shareholders are in control of the business
- The company can continue trading even if shareholder dies, their shares can be transferred to someone else.
- The private limited company has its own legal status: it can sue, be sued and own property

Disadvantages of a private limited company:

- The accounts must be audited each year and sent to the registrar of companies, the accounts are then available for the public
- It is more expensive to set up than a sole trading business
- Shares can not be sold on the stock market

The ice cream industry hit another problem in 1962 when the government put a tax on ice cream, this meant that ice cream was more expensive to make and therefore the price for the customers was more expensive. Sales fell dramatically for a short time, but some smaller manufacturers went out of business because of the lack of business. The directors of Venetian ices Ltd took advantage of the situation and agreed to introduce franchising, this was a very successful and a good move for Venetian ices.

Task 1.2

Venitain ices is looking to sell ice cream in schools and is hoping to use ventian ices as a pilot. As a result of this my business studies class had been asked to carry out research and see if there is a market for selling ice cream in schools. The research I will using is both primary and secondary, I will be sending out a questionarre to determine what types of ice cream, prices etc would be sensible for the school market.