

Company results

A firm reports its performance in a particular period in its results. Results for a particular year are shown in the company's annual report. This contains, among other things, a profit and loss account (in American English called income statement).

In theory, if a company makes more money than it spends, it makes a profit. If not, it makes a loss. But it's possible for a company to show a profit for a particular period because of the way it presents its activities under the accounting standards or accounting rules of one country, and a loss under the rules of another.

A pre-tax profit or a pre-tax loss is one before tax is calculated. An exceptional profit or loss is for something that is not normally repeated, for example the sale of a subsidiary company or the cost of restructuring. A company's gross profit is before charges like these are taken away; its net profit is afterwards. The final figure for profit or loss is what people call informally the bottom line.

If a company is making a loss, commentators may say that it is in the red. When a company's results are presented in a way that makes them look better than they really are, even if it follows the rules, it may be accused of creative accounting.



Ex. 1 Match the two columns into correct collocations:

- | | |
|---------------|--------------|
| 1. accounting | accounting |
| 2. annual | company |
| 3. creative | line |
| 4. income | loss |
| 5. pre-tax | loss account |
| 6. profit and | performance |
| 7. subsidiary | profit |
| 8. the bottom | report |
| 9. to be in | standards |
| 10. to follow | statement |
| 11. to make a | the rules |
| 12. to report | the red |

Ex. 2 Find in the text words that mean:

1. wyniki (firmy)
2. sprawozdanie roczne
3. rachunek zysków i strat
4. wykazywać zysk
5. rachunkowość
6. przed opodatkowaniem
7. spółka zależna
8. restrukturyzacja
9. opłaty
10. ostateczny wynik finansowy

Ex. 3 What does it mean...?

If a company is making a loss, commentators may say that it is in the red. This idiom can also be used about everyone's personal financial situation: simply speaking, when we don't have any money left on our accounts we are in the red. Fortunately, there is an opposite idiom as well: to be in the black.

- Are you in the red or in the black at the moment? ☺

Grammar corner...

A pre-tax profit or a pre-tax loss is one before tax is calculated.

When a company's results are presented in a way ...

These sentences contain a very common grammar structure: passive voice. We use passive voice when we don't have to say WHO does something because the important thing is just WHAT happens.

It can be generally presented as: *to be* + past participle (3rd form of the verb).

Ex. 4 Complete the sentences correctly with the passive voice structure:

1. Our offices (clean) _____ by an outsourced company.
2. You (advise) _____ not to waste time on phone calls.
3. Employees (not/allow) _____ to send private emails.
4. I (pay) _____ very well in my job.
5. My work (monitor) _____ on a regular basis.
6. In our company reports (complete) _____ every week.
7. Bad workers (fire) _____ very quickly.
8. My colleague (promote) _____ every 2 years.
9. It (not/permit) _____ to smoke inside the building.
10. The first permanent contract (sign) _____ after a year of work.

GLOSSARY	
company results	wyniki firmy
to report	raportować, robić sprawozdanie
performance	wyniki
particular	poszczególony, konkretny
annual report	roczne sprawozdanie
to contain	zawierać
profit and loss account / income statement	rachunek zysków i strat
to make a profit / a loss	osiągać zysk / ponieść stratę
to show a profit	wykaz(yw)ać zysk
accounting standards / rules	zasady rachunkowości
pre-tax profit / loss	zysk / strata przed opodatkowaniem
tax	podatek
to calculate	wyliczać
exceptional	wyjatkowy
sale	sprzedaż
subsidiary company	spółka zależna
restructuring	restrukturyzacja
gross / net profit	zysk brutto / netto
charges	opłaty
to take away	odejmować
final figure	ostateczna liczba
the bottom line	ostateczny wynik finansowy
to be in the red	być na minusie (debecie)
to follow the rules	postępować zgodnie z zasadami
to be accused of	być oskarżanym o
creative accounting	kreatywna rachunkowość

ANSWER KEY:

Ex. 1

1. accounting standards
2. annual report
3. creative accounting
4. income statement
5. pre-tax loss
6. profit and loss account
7. subsidiary company
8. the bottom line
9. to be in the red
10. to follow the rules
11. to make a profit
12. to report performance

Ex. 2

1. company results / performance
2. annual report
3. profit and loss account
4. to show a profit
5. accountancy
6. pre-tax
7. subsidiary company
8. restructuring
9. charges
10. the bottom line

Ex. 4

1. Our offices are cleaned by an outsourced company.
2. You are advised not to waste time on phone calls.
3. Employees are not allowed to send private emails.
4. I am paid very well in my job.
5. My work is monitored on a regular basis.
6. In our company reports are completed every week.
7. Bad workers are fired very quickly.
8. My colleague is promoted every 2 years.
9. It is not permitted to smoke inside the building.
10. The first permanent contract is signed after a year of work.