

DICTIONARY

13 week rolling cash flow projections	This is a document that is used as a projection into the future of where the business is going, what money is coming in and where it is going out
Accelerate payment	Often used in loan agreements, it is a clause that says that if you don't make a payment for one month the rest of the agreement becomes due and payable in total.
Accountant	A professional who helps you with financial and taxation matters. Should be a qualified Charter Accountant (CA) or a Certified Practising Accountant (CPA)
All monies security	This is a common form of mortgage placed over a property that says that all money that you owe the lender is secured by that mortgage and it doesn't have to be released until you have paid in full
Angel Investors	Are investors who will invest money into your business, for some sort of return. Usually they won't have any ongoing role within your business.
Appointor/principal	The person who is able to remove and appoint a trustee in a discretionary trust. It is the person that has the real control of the trust.
Asset	A form of property that is worth something.
Balance sheet	A financial document that takes a snap shot of your business at a point in time (usually the end of a quarter) and tell you the assets vs liabilities and equity of the business.
Balloon payments	Used in loans where you may make a number of smaller repayments during a loan term you have to pay the rest off as a one-off payment.
Bank loan	Where a bank lends money to you or your business that will usually be repayable on a monthly basis.
Beneficiary	Is the person in a trust that has the benefit of a income and equity of the assets owned by the trust
Books and records	The documents owned by the business, they can be financial documents but also other records of documents that are used.

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Budget projection	A financial document that provides a plan for a set period whether it be a year or two so that business owners can see where they are getting their money and where it is going.
Business	A commercial activity where someone sells products or services for a profit.
Business interruption insurance	A form of insurance that pays compensation to you if your business is interrupted for unforeseen circumstances.
Business Plan	A plan of where the business is going and what the business owners see in the future. Often it is many pages but the truly great business plans are only 1 or 2 pages and can go on a wall.
Buying a business	The process in which a buyer purchases a business from a seller.
Capitalisation	Obtaining capital for a company or business.
Car/equipment insurance	A type of insurance that covers you for loss or damage caused to motor vehicles.
Code of conduct	A set of rules and regulations that describe what someone is allowed and not allowed to do.
COGS/costs of sales	The direct costs attributable to the product of the goods sold or the services supplied by the Company
Company	A legal entity that is separate from the people behind it usually for a commercial business.
Confidential information	Means information that is not in the public domain that you want to keep secret to protect your business and the information in your business
Confidentiality agreement	Is a contract that obligates a person or persons to keep information confidential and sets out consequences if they do not do that.
Contract requirements	Means the basic requirements of a contract there needs to be an offer, there needs to be an acceptance of that offer and there needs to be some money or consideration paid under the contract.
Copyright	The legal right, given to the person who generates an artistic or musical work so that it cannot be copied.

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

crowdfunding	The practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the internet.
Data breach insurance	Insurance that covers you for loss or damage suffered as a result of the breach of your data.
Deed of representations	A document often required by landlords from tenant setting out whether the tenant says that they were induced to enter into a lease by any promises from the landlord or agent.
Director	The person that has the day to day control of a company
Director guarantee	An assurance and assumption of liability by a director of a company that they will pay a debt if the company does not. Usually it is limited to the time that the person is a director of the company.
Discretionary (family) trust	A common trust used by families that allows for income from the trust to be distributed amongst a variety of different beneficiaries.
Distribution agreement	A contract setting out the requirements of a distributor to distribute products and/or services.
Dividend	A distribution of profits from a company to its shareholders.
Due Diligence	The term given to the investigations and reviews that you undertake when you are buying a property or a business.
EBITA or EBITDA	Earnings before Interest Tax and amortisation or Earnings before Interest Tax, Depreciation and amortisation essentially is the profitability and efficiency of the business. It is usually used to help calculate the value of a business.
Engagement letter	Usually used by professional services to define the scope of works to be undertaken and the terms of payment.
Entity	The term used to describe the different parts of a structure, could be a company, trust, partnership or an individual.
Entrepreneur	A person who sets up a business or business taking on financial risks in the hope of profit.

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Equipment loan	A loan to purchase equipment to be used in a business.
Exit strategy	The strategy that you have to get out of your business in the future usually through the sale of the business or perhaps with some succession plan.
Expenses	The costs you incur in running your business
Export	To send goods overseas
Finance cash flow	Cash you receive from finance, i.e. loans from banks and other lenders.
Financial Planner	A professional who is in the business of providing financial advice and can set you up with investment products.
Food licence	A licence that allows you to sell and/or prepare food in your business for sale to the public.
Franchise	Is a type of licence that a party (franchisee) acquires to allow them to have access to another business's (franchisor) knowledge, intellectual property and trademarks in order to allow them to sell products or provide services.
Franchisee	The person who is acquiring the franchise.
Franchisor	The owner of the franchise system.
Gaming licence	A licence that allows you to operate a gaming machine. Usually these are limited to the premises that the business is operating.
General liability insurance	Insurance that provides coverage to a business for bodily injury, personal injury and property damage caused by the business' operations, products or injury that occurs on the business premises.
Government Funding	Funding that you get from the government or through a government agency. Sometimes also as a loan on competition interest rates.
Government grant	A financial award given by the government to a business or individual to help fund their business
Grants advisor	A professional expert who knows the different grants available for businesses and can help you make the appropriate application.
Import	Bringing products or services into a contract

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Income tax	A tax paid on the amount of money that you earn usually as a progressive percentage of your earnings.
Income/revenue	The amount of money you make before you take out you expenses.
Indemnity	Compensation paid if someone suffers a loss as a result of the action or inaction of a third party.
Insurance	A contract where a company undertakes to provide a guarantee of compensation for a specified loss, damage, illness or death in exchange for regular premium payments
Insurance broker	A professional expert in the different insurances that are available and can assist in making loans.
Investment cash flow	The cash you make from your investments. For example dividends from company's or rent from investment properties.
Joint Venture	An arrangement where two entities work together for a common purpose. This is not necessarily the only business that the entities are doing.
Key man insurance	Life insurance that covers a key person in your business.
Landlord/Lessor	The person who owns property and enters into a lease so that someone else (Tenant/lessee) has exclusive possession over that property
Lawyer	A person who practises law, a solicitor or barrister.
Lead	A person who makes contact with your business with a view to you doing work for them or them buying a product. They are not a converted sale.
Lease	A contract where one party (Landlord/Lessor) gives exclusive possession of a property or a part of a property to another entity (Tenant/Lessee)
Liability	Being legally responsible for something for example a debt.
Lifestyle business	A business that is set up so that you can earn an income that is sufficient for your lifestyle without having to work long and unreasonable hours.
Liquor licence	A authority that allows you to sell alcohol from your business premises.
Member (SMSF)	This is the person who has the benefit of money held in a self managed super fund .

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Net profit	The actual profit after working expenses not included in the calculation of gross profit.
Operating cash flow	The cash that you make from the day to day operations of your business.
Partnership	The relationship of two people who go into business with each other. Usually they will work exclusively for the partnership.
Personal guarantee	A contract where agree to pay an amount if another person or entity does not make that payment
Pierce the corporate veil	The concept of going after a director of a company even though the company and the director are separate legal entities.
Product liability insurance	Protection against financial loss arising out of a legal liability incurred by you because of injury or damage resulting from the use of a product that you have produced.
Professional liability insurance	Is a form of insurance that helps protect professionals for advice or services that they provide that is incorrect resulting in a loss to a third party.
Profit and loss statements	A financial statement that summarises the revenues, costs and expenses incurred during a specific period (usually a month) by a business.
Regulation	A rule or directive made or maintained by an authority.
Retail shop	A shop that sells retail goods or is part of a retail shopping centre.
Sales tax	A tax calculated on the amount that businesses sell products and services.
Security	Something deposited or pledged as a guarantee that someone will do something (usually pay money) under a contract.
Self managed super fund - SMSF	A trust structure that provides financial reward for its members. They are usually heavily regulated and you cannot access your money until you have retired and reached a certain age.
Share Capital	The value of the shares in the company.
Shareholder	A person who owns shares in a company.

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Shares	A part or portion of a company that is divided amongst the owners. The owners own a percentage of the company based on the number of shares that they own.
Sole trader	A person who operates a business in their own name.
Statement of cash flow	a financial document showing the sources of your cash ad where they are going.
Structure	The term used to define your business arrangements. Usually it will consist of a number of entities including company's and trusts.
Structure map	A representation of your structure in a diagram form.
Succession planning	The plan you put in place for your business in case something happens to you and you are deceased or no longer able to work in the business.
Supply agreement	A contract to provide goods or services to you.
Tax	Payment to a government that you are required to pay by law
Tenant/Lessee	The person who takes possession of a property under a lease.
Top-up insurance	Insurance designed to pay more than a standard insurance.
Transfer (stamp) duty	A tax paid on the value of assets transferred. Usually worked out as a percentage of the value of what has been transferred.
Trust	A legal fiction where a person or entity (trustee) hold property or assets for a third party beneficiary.
Trustee	The legal owner of the property owned by a trust.
Unit Trust	A trust similar to a company where the beneficiaries own a percentage of the units in the trust.
Veil of incorporation	The legal concept where a company is separate from its directors and shareholders.
Venture capitalists	Investors who lend money to businesses in return for profit. They usually want to have some say in the operation and management of the business.

Call us on 1300 000 LAW (529),
 like our facebook page www.facebook.com/bizlegallifecycle or
 email us at lifecycle@jeremystreten.com

DICTIONARY

Warranty (warranties)	Promises made as to the state of things, usually in a business the owner will give a warranty that certain statements are true.
Workers compensation	Insurance to pay for loss suffered by workers in businesses.

Call us on 1300 000 LAW (529),
like our facebook page www.facebook.com/bizlegallifecycle or
email us at lifecycle@jeremystreten.com