
A – Z of Business Terms

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Ver. 1. January 2007



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Absolute owner

This is the sole owner of a piece of property, such as a building, vehicle or piece of equipment.

Abstract of Title

This is a document which summarises all the title deeds to a property such as a house. It is drawn up for the seller when a property is being sold.

Accounting date

Organisations prepare their annual accounts covering a period of 12 Months. The last day of the period is called the accounting date.

Accrual rate

This is the rate by which a pension from an earnings-related occupational pension scheme builds up from one year to another. The rate is shown as a fraction or a percentage of the member's final yearly salary.

Accrue

If something is accruing, it is building up day by day. If an organisation owes money for goods and services but has not received a bill up to the date it prepares its accounts, it will estimate what it owes. It will then include the debt in its accounts. This estimated liability is called an accrual.

Accumulation date

This is the date when income will be credited to a unit trust which reinvests its income (an accumulation unit), instead of paying the income out to the investors.

Acknowledgment of Service

The process by which the Defendant tells the Court that he has received the Court papers setting out the claim

Act of God

An extreme naturally occurring event (such as an earthquake, avalanche or flood) that could not have been anticipated.

Actuary

An actuary is an expert on pension scheme assets and liabilities, life expectancy and probabilities for insurance purposes (the likelihood of things happening). An actuary works out whether enough money is being paid into a pension scheme to pay the pensions when they are due.

Additional voluntary contribution

People in occupational pension schemes can pay in extra money to increase their pension benefits. The extra money they pay in is an additional voluntary contribution.

Ademption

This happens when someone is left something in a will, but the item no longer exists so cannot be bequeathed.

Administration order

If a court appoints someone to look after a company's affairs the court issues an administration order. This order gives the person appointed power to run the company

Administrator

This is someone who has been appointed to manage the affairs of a bankrupt business; or has been appointed to manage the estate of someone who has died without leaving a will.

Adverse possession

Intentionally occupying land to prevent the rightful owner or tenant using it.

AER

This stands for annual equivalent rate. It is quoted by financial institutions, such as banks, to show how much the interest rate would be if the interest was worked out just once a year. It is intended to make it easier for people to judge how much interest they pay (or receive) when it is being worked out more than once a year. It is also intended to make it easier to compare different financial products.

Affidavit

An affidavit is a written statement which is sworn to be true by the person signing it. It is sworn before someone authorised by the court.

Agreement

Another word for Contract (see below)

Allocation rate

When money is paid into a fund (such as a pension fund) the allocation rate is the percentage of the money left which can be invested after the charges have been taken off. For example if the charges were 2% the allocation rate would be 98%.

Allotment

An allotment of shares in a company gives the owner (of the allotment) an unconditional right to buy the shares at a fixed price.

Annual Accounts

These are the summary of an organisation's financial transactions during the year covered by their accounts, and a 'snapshot' of the assets and liabilities at the end of the year.

Annual General meeting (AGM)

This is the yearly meeting of the members of an organisation which must be held to meet legal conditions. The annual accounts are presented for approval at this meeting.

Annual management charge

This is a yearly charge made by the managers of unit trusts or investment trusts. It is usually a percentage of the value of the funds being managed.

Annual return

A return which must be sent by companies to the Registrar of Companies. Each year the officers of a company have to fill in an annual return with details of the members, officers, shares issued and other information about the company. The return is then sent to Companies House for filing and is available for inspection by members of the public.

Annuity

An annuity is an amount paid out every year to someone. The money usually comes from an insurance policy. It can be split up into smaller amounts and paid out more frequently, such as monthly. It is usually paid for the rest of the beneficiary's life.

Auction

This is where a property is bought at an auction house. Once the gavel goes down contracts are exchanged (see Exchange of Contracts below).

Appeal

Asking a court to overturn a lower court's decision. If the decision of a court is disputed it may be possible to ask a higher court to consider the case again by lodging an appeal.

APR

This stands for annual percentage rate. It is intended to give people a more accurate idea of how much they are being charged when they borrow money.

Arbitration

Settling a dispute by using a referee. If a dispute goes to arbitration it is settled by an independent referee. It avoids having to use the courts to settle the dispute.

Articles

A company's articles set out its rules. The articles form part of the memorandum and articles of association.

Assets

These are things which are owned such as buildings, vehicles, stock and money in the bank.

Assignment

The formal transfer of the rights to something. An example would be a bank customer assigning to the bank the right to receive the benefits from a life insurance policy to give the bank security for a loan.

Assurance

Insurance cover for an event which will definitely happen, such as death.

Assured shorthold tenancy

A type of tenancy agreement under which the landlord has the right to take the property back at the end of the tenancy agreement.

Attachment of earnings

A court order that deductions be made from a person's earnings. The employer pays the money collected to the court and the

Attest

To sign to witness a signature on a document.

Attorney General

The chief legal adviser to the Government. He or she must be a Member of Parliament (or have a seat in the House of Lords) and must be a barrister.

Audit

An audit is an independent examination of an organisation's records and financial statements (report and accounts) to make sure that: the financial statements show a fair reflection of the financial position at the accounting date; the income and spending is shown accurately; the financial statements meet any legal conditions; and the financial statements are drawn up clearly.

Authorised share capital

This is the highest amount of share capital that a company can issue. The amount is set out in the company's memorandum of association.

BACS payment

BACS stands for Bankers Automated Clearing System which is a system for sending money electronically between banks.

Bad Title

Legal document that is insufficient to transfer ownership.

Bailiff

A bailiff is an officer of the court. The bailiff carries out the court's orders, such as taking goods belonging to a debtor and selling them to get money to pay the debts. The bailiff can also personally deliver (serve) court documents on people

Balance sheet

A balance sheet is a summary of an organisation's financial position. It lists the values, in the books of account on a particular date, of all the organisation's assets and liabilities showing the organisation's strengths and weaknesses.

Balloon payment

Some loan and finance agreements have lower repayments than normal in return for a high final payment. This is called a balloon payment.

Banker's draft

A cheque drawn by a bank on itself. It is used when there must be certainty that a cheque will be paid.

Bankruptcy

If someone cannot pay their debts when they are due to be paid, a court may issue a bankruptcy order against them. This takes ownership of the debtor's property away from the debtor & allows much of the property to be sold. The money raised is divided between the creditors.

Bankruptcy Search

A search made by the conveyancer to check whether a buyer or a borrower has been, is or is about to be declared bankrupt.

Basic-rate tax

Once you have used up all your tax allowances and all your lower-rate tax Band, you pay basic-rate tax. The basic rate is 22% at the moment (2007).

Basic state pension

This is the retirement pension the Government pays to people who have paid enough national insurance contributions. Some people may receive a reduced basic state pension because they have not paid enough contributions.

Beneficial interest

If something belongs to a person, even though they do not legally own it, they have a beneficial interest in it. If, for instance parents hold an investment on behalf of their child they are the legal owners but the child is the beneficial owner of the investment.

Beneficiary

This is someone who benefits from a will, a trust or a life insurance policy.

Benefits in kind

If an employee or a director gets benefits (perks) from their work, such as a company car, the benefits are called benefits in kind. They may have to pay tax on the value of the benefit in kind.

Bid price

If you are a member of a unit trust, this is the price you will get for each unit if you cash them in.

Bill of exchange

A bill of exchange is a signed written order, instructing the person it is addressed to pay an amount of money to someone. A cheque is a type of bill of exchange.

Bill of sale

A bill of sale is a document which transfers ownership of goods from one person to another.

Board of directors

Persons elected by corporate shareholders to manage company business and appoint officers.

Bona fide

Genuine, sincere or in good faith. (*Latin*)

Bona vacantia

Goods or an estate belonging to nobody. (*Latin*)

Bond

A bond is a written promise to repay a debt at an agreed time and to pay an agreed rate of interest on that debt.

Bonded warehouse

A warehouse approved by HM Customs and Excise for storing goods imported into the UK until the duty has been paid or the goods have been exported to another country

Book debts

Book debts are the debts owed to a business, as recorded in the business's accounting records.

Book value

This is the value of a fixed asset, such as a building or machine, as recorded in an organisation's books. It is usually the amount paid for the asset less an amount for depreciation.

Books of account

These are the books which a business must keep to record its financial transactions accurately.

Borrower

The person taking out a loan or mortgage on a property that they own, also known as a Mortgagor.

Break Clause

A provision in the lease allowing for the term to be shortened but usually subject to strict compliance conditions

Bridging Loan

This is a loan taken out to "bridge" the gap whilst waiting for the sale of a property or the receipt of a mortgage.

Building preservation notice

a notice that a building is listed. If a building is in danger of being altered or demolished, but the local planning authority thinks it should be preserved, the authority can issue a notice that the building is listed.

Buy To Let

This is where a buyer buys a property with the intention of letting it out on a commercial basis. There are mortgages specific to this type of purchase known as Buy to Let mortgages.

Bylaws

Rules and regulations adopted by an organization or corporation specifying the duties of its members and how the business is run.

Called-up capital

All the shares called by a company when it issues shares. When calls have been made for the whole of the share price and the shareholders have paid, the shares become paid-up share capital.

Capacity

Someone's ability to enter into a legal agreement. For example, a minor would not be able to buy something on credit.

Capital allowances

Allowances that you can sometimes claim when you buy long-term assets, such as machines, to use in your business. You claim part of the cost against your profits before your tax is worked out for the year.

Capital gain

The profit you make if you sell or dispose of a longterm asset (such as a building) for more than it cost you.

Capital gains tax

A tax charged on certain capital gains.

Capital redemption reserve

A company has to have this reserve in its financial records and in its accounts if any of the shares it has issued are cancelled. The reserve cannot be paid out to the members until the company is liquidated and so it prevents the company's capital being reduced.

Cartel

An agreement between businesses to restrict competition and keep prices high

Case law

Law that is based on the results of previous court cases.

Caution

A warning given by the police to a suspected criminal when the suspect is arrested; a warning given by the police when they release a suspect without prosecution that, if there are any more offences committed by the suspect, the first possible offence may be taken into account; or a document sent to the Land Registry by someone who may have a right over land, which demands that no dealings in the land are registered until the person with the right has been told.

Caveat

A warning. (Latin)

Caveat emptor

'Buyer beware'. It is used to warn people buying goods that they may not be able to get compensation if the goods they buy are faulty. (*Latin*)

Certificate of incorporation

A certificate stating that a company has been incorporated (that is, it has a separate existence from its members). The Registrar of Companies issues the certificate of incorporation once a company has been formed.

Charge

Means: to formally accuse someone of committing a crime; to use property as security for a debt (such as a mortgage); or a direction given.

Chargeable gain

A gain on which capital gains tax is payable. If a capital asset such as a building is sold or disposed of at a profit, tax on the gain has to be worked out unless the capital asset is one exempted by law.

Charge certificate

A certificate which the Land Registry issues to the legal mortgagee (the lender) who has lent money on the security of registered land. It is proof of the legal mortgagee's right to the security.

Charges clause

A clause which appears in some contracts and sets out who should pay for certain items.

Charging order

A court judgement which a creditor may get against the person or organisation which owes the money, giving the creditor security over the debtor's property for repayment of the debt.

Charity

An organisation set up to do good for the community, such as help poor people, educate people and protect animals. Most charities are registered with the Charity Commission.

Charity Commission

An organisation responsible for checking that charities are run properly. It also decides whether proposed charities can be placed on the register of charities.

Chattel

Any property except freehold land.

Cheque

A written order, addressed to a bank, instructing the bank to pay an amount of money to the person or organisation named on the cheque. The bank takes the money out of the relevant customer's account.

Cheque card

A card issued by a bank to a customer. It guarantees that a cheque used with the card will be paid if the person issuing the cheque has kept to all the conditions.

Circuit

Any of the six legal regions into which the United Kingdom is divided up. Each circuit has its own system to administer the courts within the circuit.

Circuit judge

A judge who presides over (is in charge of) cases in the Crown Court and county courts.

Circumstantial evidence

Evidence which suggests a fact but does not prove the fact is true.

Citizen's arrest

An arrest by someone who is not a police officer. The offence must be being committed or have already been committed when the arrest is done.

Civil court

A court which does not hear criminal cases. It deals with people's rights such as collection of debts.

Claim

Means: to apply for a right; to demand a remedy; or an application for something such as a right.

Claimant

The person making a claim.

Clause

A section in a contract.

Clearing bank

One of several major banks which work together to exchange and pay for cheques which their customers have written.

Close company

A company controlled by five people or fewer, or by its directors.

Closing order

An order prohibiting the use of a house because the house is not fit for humans to live in.

Codicil

Extra pages to change a valid will which needs a minor alteration. The codicil must be signed and witnessed and then be attached to the will.

Collateral

Extra security for a debt. If there is a main security for a debt, such as a house being security for a mortgage, any extra security supplied is called collateral.

Commissioner for oaths

A person appointed by the Lord Chancellor to administer (manage) the swearing of oaths.

Common duty of care

The duty of the occupier of premises or land to take reasonable care of visitors to make sure that they are kept safe.

Common seal

The seal companies use to authenticate (validate) important company documents. The company's name is engraved on the seal.

Community service order

An order to do work in the community without pay. If someone has been convicted of a crime they may be given a community service order as an alternative to being sent to prison.

Companies House

The office which stores company information such as annual accounts, directors' names and addresses and the registered office address. People who are interested in a company can inspect some of the information stored.

Company secretary

A person appointed by the directors of a company who is responsible for making sure that the company complies with the Companies Acts.

Compensation

Money paid to make up for damage or loss caused.

Compensation for loss of office

Lump-sum compensation a company pays to an employee whose contract has been ended.

Compensation order

An order by a court to a criminal to compensate the victim of the crime.

Completion

Transferring property in exchange for payment. When there is a contract to sell land, there will be an initial payment to confirm the contract. Completion happens when the ownership of the land is transferred to the person buying it, in return for the seller receiving the rest of the purchase price.

Compulsory purchase

Taking land and giving compensation for it. When land is needed for a project, such as a road, local authorities and other public bodies can take the land off the landowner. Compensation has to be paid to the landowner.

Compulsory winding up

The liquidation of a company by order of the court. It usually happens because the company has not been able to pay its bills on time and a creditor has presented to the court a petition for winding up the company.

Concealment

Failure by one side negotiating a contract to disclose (reveal) information which the other side would need to consider when deciding whether or not to go ahead.

Conclusive evidence

Evidence which by law cannot be disputed.

Condition

A fundamental part of an agreement. The agreement or contract may collapse if a condition is broken.

Conditional agreement

An agreement which depends on a certain thing happening in the future. If the event does not happen the agreement will not start to operate.

Confiscation order

If someone has been convicted of a crime the court may order the person convicted to pay the court a sum of money. This is called a confiscation order.

Consent

To agree to something. A contract would not be valid unless all the parties consented to it.

Consideration

The price you pay for something.

Consignee

The person goods have been sent to.

Consignor

The person who sent the goods.

Conspiracy

An agreement by two or more people to commit a crime; or some people acting together and harming a third party.

Constructive

Describing something which may not be set out in the law but will nevertheless be considered to exist.

Constructive dismissal

Because the employer has broken fundamental terms of the contract of employment the employee has been forced to resign. The employee can apply for a hearing before an industrial tribunal.

Consumer credit agreement

An agreement by a creditor, such as a bank, to provide up to £25,000 of credit to a consumer.

Contract

An agreement between two or more people (or groups) to do (or not to do) something. The agreement can be enforced by law.

Contract of exchange

A contract to exchange goods without money being involved (barter).

Contract of service

The contract between employer and employee.

Convey

To transfer the ownership of something.

Conveyance

The name of the service transfers the ownership of land.

Conveyancing

The name for carrying out all the actions needed to transfer the ownership of a piece of land.

Copyright

A legal right which stops things being copied without permission. If you have the copyright over something (such as a book or music), nobody can copy it or reproduce it without your permission.

Corporate body (or corporation)

a group of people acting together, such as a club. The group has a separate legal identity from the individual members' identities. A company is another example of a corporate body.

Corporation tax

A tax which companies pay on their profits.

Counsel

A barrister or group of barristers.

Counterclaim

Making a claim in court against someone who has already made a claim in court against you.

Counterfeit

Something that is forged or copied with the intention of deceiving.

County court

A court which deals with civil cases such as disputes over unpaid debts and negligence claims. It does not deal with criminal cases.

County court judge

A judge who presides over (is in charge of) cases in the county courts.

Court of Appeal

A court which hears appeals against the decisions of other courts.

Court of Protection

A court which administers (manages) the assets and affairs of people who cannot look after themselves, such as people who are mentally ill.

Covenant

A contract or legally binding promise.

Creditor

A person you owe money to.

Creditors' voluntary winding up.

If a company is insolvent (cannot pay its debts when they are due for payment) the members can pass a special resolution to have the company wound up (liquidated). This is called a creditors' voluntary winding up.

Criminal damage

The criminal offence of causing damage to someone else's property either recklessly or intentionally.

Criminal responsibility

When someone reaches the age when the law says they are able to commit a criminal offence they have reached the age of criminal responsibility.

Crown Court

The court where people indicted of criminal offences are tried.

Cumulative preference shares

Shares which carry forward unpaid dividends. If dividends on these shares have not been paid in previous years the arrears must be paid before a dividend can be paid on the ordinary shares.

Customs duties

Duties which are charged on imports of goods into the UK and on some exports.

Damages

The name for money awarded by a court as compensation.

Debenture

A document issued by a company which acknowledges that some or all of the company's assets are security for a debt (usually to a bank). It is also the name for certain long-term loans to companies.

Debt

Money owed.

Debtor

Someone who owes you money.

Deceit

When one person deliberately misleads a second person with a statement which causes the second person to do something that causes them damage.

Decree

An order by a court.

Decree absolute

The final court order which ends a marriage.

Deed

A legal document which commits the person signing it to something.

Deed of arrangement

A written agreement which can be made, when a debtor is in financial trouble, between the debtor and the creditors. It is intended to benefit the creditors and avoid the bankruptcy of the debtor. The creditors get a proportion of the money owing to them.

Defamation

Making a statement, either orally or in writing, which damages someone's reputation.

Default

Failing to do something which had been agreed to.

Defendant

A person defending a court action which has been taken against them.

Dependant

Someone who depends on someone else for financial support.

Deposition

A statement, by a witness, made under oath.

Depreciation

The drop in value of an asset due to wear and tear, age and obsolescence (going out of date), as recorded in an organisation's financial records.

Direction/directing

Judges must give juries instructions on points of law. This is called directing the jury.

Director

A person appointed to help manage a company's affairs.

Disbursement

A payment made by a professional person, such as a solicitor or accountant, on behalf of a client. The money is claimed back by including it on the bill for professional services which is sent to the client.

Discharge

Is a release from: a commitment such as a debt; a contract because it has finished or the parties agree to end it; or a punishment for a crime.

Disclaim/disclaimer

To give up a claim or a right or refuse to take over an onerous (having more obligations than advantages) contract. A disclaimer can also be a notice to limit responsibility.

Divorce petition

An application for the legal ending of a marriage.

Domicile

The country where your permanent home is, even if you are living somewhere else for now.

Drawer

The person or organisation that has written a bill of exchange, such as a person who has written a cheque.

Duty

A levy charged by the Government, usually when things are bought, such as shares or buildings.

Easement

A right to use someone else's land, such as a right of way.

Endorsement

A change to the original terms of a contract, such as an insurance policy.

Endowment policy

A type of insurance policy which will pay out a lump sum on a fixed date in the future, or when you die if this happens earlier.

Enduring power of attorney

A power of attorney which takes effect in the future. If a person is capable of dealing with their own affairs at present, they can sign an enduring power of attorney. It will only come into effect when they are no longer capable of looking after their own affairs. It gives authority to the person appointed to act for the person who signed the power of attorney.

Engrossment

Preparing the final version of a legal document ready for it to be executed (made valid such as with a signature).

Equitable mortgage

The type of mortgage where the purchaser owns the property which is security for the mortgage.

Escrow

A deed which has been supplied but cannot become effective until a future date, or until a particular event happens.

Estate

This is: all a person owns at the date of their death; or the right to use land for a period of time.

Estimate

An offer to do stated work for a set price.

Exchange of contract

Swapping identical contracts. When land is sold, the person selling and the person buying both sign identical copies of the contract and exchange them. The contract is then binding on both of them.

Excise duty

A type of tax levied on certain goods such as petrol. It is also levied on some activities such as gambling and on certain licences for activities (such as driving a car on the public roads).

Exclusions

The things an insurance policy does not provide cover for. They will be listed in the insurance policy.

Execute

To carry out a contract.

Executed

Describing a document which is made valid (in the eyes of the law) such as by being signed or sealed.

Ex gratia

Describing something done or given as a favour rather than a legal obligation. (Latin)

Ex parte

Done by one side only in a case. (Latin). Since April 1999, it is often replaced with 'without notice'.)

Extraordinary general meeting

A general meeting of the members of a company which is not the annual general meeting.

Extraordinary resolution

A resolution for consideration by the members of a company at a general meeting of the members.

False representation

Lying in a statement to persuade someone to enter a contract.

Fixed charge

A charge which provides security for money lent. The charge is over a specific property.

Floating charge

A charge used to provide security for money lent to a company. The charge is over the company's liquid assets (such as stocks and debtors) but it is only triggered by an event such as liquidation.

Forbearance

When one party to an agreement does not pursue rights under the agreement even though the other party has not kept to its terms. An example would be someone not suing to recover an overdue debt.

Force majeure

An event which cannot be controlled and which stops duties under an agreement from being carried out. (French.)

Foreclosure

Repossessing property. If a mortgagor (the borrower) has failed to keep up the repayments on a mortgage, the mortgagee (the lender) may apply to the High Court for an order that the debt be repaid by a particular date. If the debt is not repaid the property will be repossessed. This procedure is called foreclosure.

Forfeiture

The loss of possession of a property because the tenancy conditions have not been met by the tenant.

Fraud

Lying or deceiving to make a profit or gain an advantage, or to cause someone else to make a loss or suffer a disadvantage.

Fraudulent conveyance

Ownership of land being transferred without consideration and with the intention of defrauding someone.

Fraudulent preference

Someone who is insolvent paying one of their creditors while knowing there is not enough money to pay the others.

Fraudulent trading

Running a business with the intention of defrauding its creditors or other people.

Freehold

Describing land that only the owner has any rights over.

Free of encumbrances

No one else having any rights over something. When property is owned by someone and nobody else has any rights over it, it is owned free of encumbrances.

Futures contract

A binding contract to buy or sell something on a date in the future at a fixed price.

Garnishee order

A court order to a third party who owes money to a judgement debtor to pay the money to the judgement creditor.

General damages

Damages a court will give to compensate for a wrong done without needing specific proof that damage has been done to the claimant ('plaintiff' before April 1999). The court presumes that losses or damage exist such as in a libel case.

General meeting

A meeting of the members of a company to make decisions about the company.

Grant

Proof that you are entitled to deal with a dead person's estate. The grant is issued by the Probate Registry.

Guarantee

A promise by a person (the guarantor) to repay a debt owed by a second person if the second person fails to repay it. For example, a guarantee is sometimes required by a bank before it will lend money to a customer.

Guarantee company

A company whose members only have to pay the amount they have agreed to contribute, if the company has to be wound up. They do not have to pay in extra money if there is not enough to pay all the company's debts.

Guarantor

A person or organisation that promises to pay a debt owed by a second person, if the second person fails to repay it.

Harassment of debtors

The illegal act of attempting to collect a debt by threatening, or habitually acting in a way that humiliates or distresses, a debtor.

High Court (of Justice)

Part of the Supreme Court, It is split into three divisions called: Queen's Bench Division; Chancery Division and Family Division.

Hire

To pay to borrow something for a period.

Hire purchase

A form of credit which allows the purchaser to have possession of the goods shown in the hire purchase agreement. Ownership passes to the purchaser when the fee and all the instalments have been paid.

HM Revenue and Customs

A government department responsible for collecting the bulk of tax revenue, as well as paying Tax Credits and Child Benefits.

HM Land Registry

A registry with offices in towns and cities throughout the UK which keep records of registered land.

Holding company

A company which controls another company, usually by owning more than half of its shares.

House of Lords

The highest court in the UK.

Indict

To officially accuse someone of committing an offence.

Indictable offence

An offence which can be tried by jury in the Crown Court.

Indictment

A document setting out the details of the offence a defendant is accused of.

Intangible property

Property which does not physically exist, such as a right or a patent.

Interlocutory judgement

A provisional judgement. (Since April 1999, this had been replaced with the phrase 'Judgment for an amount and costs to be decided by the court').

Interlocutory proceedings

The first things to be done before a civil case comes to trial. They include pleading (preparing the formal written statement) and discovery (stating the documents, under one party's control, which are relevant to the case and making them available to the other party) so that there are no surprises when the trial starts.

Issue

The legal word for: children; or the matter to be decided by a court action.

Issued share capital

Share capital which has been allocated to shareholders who have subscribed for shares.

Joint and several liability

Two or more people responsible for repaying a debt. They are each responsible individually to repay all the debt as well as being responsible as a group.

Joint lives policy

A life assurance policy on more than one person's life. The policy pays out on the first death.

Joint tenancy

Two or more people having identical shares in land.

Judge

A person whose job is to adjudicate in court cases. The Crown and the Prime Minister appoint judges. Most are barristers but some are solicitors.

Judge in chambers

Describes a hearing in front of a judge which is not held in court.

Judgement

A decision by a court.

Judgement creditor

A person who is owed money and who has been to court and obtained a judgement for the money owed.

Judgement debtor

A person who owes the money a court judgement says is owed.

Judgement in default

Getting a judgement against you because you failed to do something. If a civil case has gone to court but the defendant does not do something required by the court (such as turn up), judgement for the claimant may be given.

Judgement summons

A summons to appear in court to disclose (reveal) income and assets under oath because a judgement debtor has failed to pay the judgement debt.

Judicial discretion

A degree of flexibility about the way courts do things.

Judicial immunity

Immunity that a judge normally has from being sued for damages when acting as a judge.

Junior barrister

A barrister who is not a Queen's Counsel.

Jurisdiction

The territory in which a court can operate; the power it has to deal with particular cases; or the power it has to issue orders.

Justice of the Peace (JP)

A person appointed by the Crown to act as a magistrate.

Justification

Claiming that a defamatory statement is true. In a defamation case a defendant may admit that the claimant ('plaintiff' before April 1999)'s allegations are true but plead that the statement which defamed was true.

Knock for knock

An agreement between insurance companies that they will pay for their own policyholders' losses regardless of who was to blame.

Know-how

The expertise in an organisation which may be protected by a patent.

Land

the buildings built on the land; the subsoil; the airspace above the land necessary for ordinary use of the land; and property fixed to the land.

Lawsuit

A claim made in a court of law.

Lease

a contract between the owner of a property and a tenant, giving the tenant sole use of the property for an agreed time.

Leasehold

Property held by a tenant with a lease.

Lessee

The person a property has been leased to.

Lessor

The person who lets a property by lease.

Letter of credit

A letter one bank sends to a second bank asking them to pay money to a named person.

Liabilities

The debts that a person or organisation owes.

Liability

A debt or obligation.

Licence

An authority to do something.

Licensee

The holder of a licence to do something.

Lien

The right to keep possession of something owned by someone who owes a debt, until the debt has been settled.

Life assurance policy (or life insurance policy)

A contract between the policyholder and the insurance company. The insurance company pays out if the policyholder dies.

Life interest

An interest which will pass to someone else when the present owner dies.

Life tenant

Someone entitled to use property for the rest of their life.

Limited company

A company which limits how much its members will have to pay if the company is wound up. The members of most limited companies will only have to pay any money unpaid on their shares. If a company limited by guarantee is wound up, the money its members have to pay is limited to the amount shown in the memorandum of association.

Liquidated damages

Damages agreed beforehand by the parties to a contract in case one of them should later break the terms of the contract.

Liquidation

The process of winding up a company by disposing of its assets, paying its creditors in a strict order of priority and distributing any money left among the members.

Liquidator

The person appointed to wind up a company.

Litigant

A person involved in a lawsuit.

Litigation

Taking legal action through the courts.

Loan capital

Money borrowed by an organisation.

Loan creditor

A person or organisation which has lent money to an organisation.

Magistrate

A Justice of the Peace who presides over (is in charge of) minor cases heard in the magistrates' court.

Magistrates' court

The lowest court. The things it deals with include minor criminal cases, most criminal cases involving 10- to 17-year-olds, issuing alcoholic drink licences and hearing child welfare cases.

Majority

The age when a person gains full legal rights and responsibilities. In the UK it is when a person becomes 18 years old.

Malice

Intending to do something which is against the law.

Mandate

An authority to act given by one party to another. An example is when a bank's customer writes instructions on the mandate for the bank to follow when operating the customer's account.

Market overt

A lawful market in which, as long as someone buying goods is not aware that they do not belong to the seller, the buyer will get a good title to the goods.

Material facts

Facts which are a key part of a defence or a claim.

Memorandum and articles of association

The memorandum gives details of a company's name, objects (purposes) and share capital. It also sets out the limits of the shareholders' liability if the company has to be wound up. The articles set out the members' rights and the directors' powers.

Mens rea

The intent to commit a crime and also the knowledge that an act is wrong. (This term is Latin.)

Mercantile law

The branch of the law dealing with commerce.

Merchantable quality

The assumption in the law that goods sold by a business will be fit for their purpose.

Mesne profits

income lost by a landlord because the property is occupied without the landlord's permission. An example would be a tenant failing to leave the property when the tenancy finished. It is also the profits lost by a landowner when wrongly deprived of the use of his or her land.

Minor

Someone who has not yet reached the age when they get full legal rights and responsibilities. In the UK this is a person under 18 years old.

Minutes

A record of the meetings held by members and directors of companies.

Misadventure

An unexpected accident which happens while lawfully doing something.

Miscarriage of justice

The court system failing to give justice to someone.

Misconduct

Deliberately doing something which is against the law or which is wrong.

Misdirection

A judge instructing a jury wrongly.

Misfeasance

When something is done badly even though it is still legal; or a company officer does something which is a breach of trust or a breach of duty.

Misrepresentation

A lie told to persuade someone to enter into a contract.

Mitigation

Putting facts to a judge, after someone has been found guilty, to justify a lower sentence.

Money laundering

Making money from crime and then passing it through a business to make it appear legitimate.

Moratorium

An agreement not to take action to recover a debt for an agreed period of time.

Mortgage

Using property as security for a debt. It is also the name for the contract which is signed by the borrower and lender when money is lent using property as security for a loan.

Mortgagee

The lender of the money which is secured by a mortgage.

Mortgagor

The person who borrows the money to buy a property. The lending is secured with a mortgage of the property.

Muniments

Documents which are evidence of a right to something.

Naked trust

A trust which holds property for a person until they ask the trustee to return it.

Negligence

Lack of proper care to do a duty properly.

Negligent

Lacking proper care to do a duty properly.

Negotiable instrument

A document which: is signed; is an instruction to pay an amount of money; can have its ownership changed by changing the name it is paid to; and can have its ownership changed simply by being delivered to its next owner.

Nondisclosure

The failure by one side to a contract to disclose (reveal) a fact to the other side that would influence their decision to go ahead with the contract.

Non-exclusive licence

An agreement giving someone the right to use something but which does not prevent other people being given similar agreements.

Notary

A person (usually a solicitor) who is authorised to certify documents, take affidavits and swear oaths.

Notice

A warning of something which is about to happen.

Notice to quit

A notice to end a tenancy on a stated date. It is usually sent by the landlord to the tenant although the tenant can also send one to the landlord.

Not negotiable

Cannot be transferred. If a bill of exchange is marked not negotiable it cannot be transferred to someone else.

Novation

Replacing an existing agreement with a new one.

Oath

Swearing the truth of a statement.

Objects clause

A clause which forms part of a company's memorandum of association It sets out the purposes the company was formed for.

Obligation

A legal duty to do something.

Obligee

Someone who, under a contract, receives money or has something done.

Obligor

Someone who is bound by a contract to pay money or do something.

Occupation

Taking control of a piece of land which belongs to someone else.

Occupational pension scheme

A pension scheme organised by an employer for its employees.

Occupier

The person who is in control of a piece of land, such as a tenant.

Offer

A promise to do something, or not to do something. If the promise is accepted it becomes legally binding.

Offeree

The person who receives the legally binding offer.

Offeror

The person who makes the legally binding offer.

Official receiver

The person appointed to act as a receiver in bankruptcies and company winding-up cases. The Department of Trade and Industry appoints official receivers.

Option

A type of contract under which money is paid for a right to buy or sell goods at a fixed price by a particular date in the future.

Order

An instruction by or command of a court.

Order in Council

An order given by the monarch (King or Queen) after taking advice from the members of the Privy Council.

Originating summons

A summons that sets out the questions the court is being asked to settle. When the facts in a case are not disputed, but the interpretation of the law or of the documents needs to be resolved, an originating summons is prepared.

Panel

The list of people who have been summoned for jury service.

Pari passu

Equally. (Latin.)

Party

The claimant ('plaintiff' before April 1999) or defendant in a lawsuit. It is also someone who has taken out a contract or agreement.

Passing off

Pretending that the goods and services offered are those supplied by another business.

Patent

An official right for a specified period of time to be the only person (or organisation) to make or sell something.

Pawn

To pledge goods as security for a loan.

Payee

The person money is being paid to.

Payment into court

Money paid to the court by the defendant for payment to the claimant ('plaintiff' before April 1999).

Penalty

A sum of money which has to be paid if the terms of a contract are broken; or a punishment given to someone who commits a crime.

Per

Through or by. (Latin.)

Performance

Doing what is required under a contract.

Perpetuity

Forever. The law prevents property being tied up in perpetuity because it could stop owners disposing of it.

Per pro

On behalf of. (Latin.)

Per quod

In accordance with or whereby. (Latin.)

Per se

In itself or by itself. (Latin.)

Personal guarantee

A pledge, by a person to a bank, to repay a debt owed to the bank if the bank's customer fails to pay it.

Personal property

All property except land.

Personal representative

A person who is appointed to deal with a dead person's estate. If there is a will, the executors appointed will be the personal representatives. If there is no will, the courts will appoint someone called the administrator.

Personality

Another word for personal property.

Plaintiff

The person who goes to court to make a claim against someone else. (Since April 1999, this term has been replaced with 'Claimant'.)

Plea

The defendant's answer to the accusations.

Plea bargain

When the defendant pleads guilty instead of not guilty in return for a concession by the prosecution (such as dropping another charge).

Plead

To declare to the court whether you are guilty or not guilty.

Pleadings

Statements of the facts prepared by both sides in a civil case. Each side gives the other its pleadings so that they are both aware of what arguments will be used during the trial. (This term was replaced with 'statement of case' in April 1999).

Pledge

Letting someone take possession of goods but the ownership does not change. It is often done to give security for money owed or to make sure that something is done as promised.

Plenipotentiary

Someone who has been given complete authority to act.

Possession

Having something under your control even though you may not own it.

Possessory title

Gaining title through possession. If you have possession of something for a long time you may gain title to it even though you do not have documents to prove that it is yours.

Power of appointment

A person giving a second person the power to dispose of the first person's property.

Power of attorney

A document which gives power to the person appointed by it to act for the person who signed the document.

Precedent

Lower courts have to follow the decisions of the higher courts. This is called precedent, binding precedent or judicial precedent.

Pre-emption

The right to buy property before others are given the chance to buy.

Preference

When insolvent, paying one creditor while leaving other creditors unpaid.

Preference shares

A share entitled to a fixed dividend. Holders of preference shares are treated more favourably than ordinary shareholders. The preference dividend is at

a fixed rate and must be paid in full before a dividend can be paid on the ordinary shares. When the company is wound up the preference shares must be fully paid out before the ordinary shareholders can be paid.

Preferential creditor

A creditor who has to be paid in full before unsecured creditors can be paid anything.

Prima facie

On the face of it. (Latin.)

Principal

Someone who authorises another person to act for them; the actual person who committed a crime; or an amount of money lent or invested, not including the interest.

Privilege

Special rights which some people have because of the job they do or their special status. For example, diplomats of foreign countries are immune from arrest in the UK.

Privity of contract

Only the parties to a contract can sue each other over breaches of contract.

Privy Council

A body of people appointed by the Crown. Its members include members of the royal family, present and former cabinet ministers and people who hold or have held high office. Its main duties are advising the Queen.

Probate

Authority to deal with a dead person's estate. When someone has died and left a will, the executors of the estate apply to the court for this authority.

Probate Registry

A registry which deals with the forms which are needed when someone applies for probate.

Process

In law a process is: a summons or writ which is used to order someone to appear in court; the whole of a case from beginning to end; or the total number of summonses or writs issued during a case.

Procurator

A person who has been given authority to manage another person's affairs, such as under a power of attorney.

Product liability

The liability of manufacturers and sellers to compensate people for unsafe goods which have caused injury to people or property.

Promisee

A person who has been promised something.

Promisor

A person who has promised something.

Promissory note

A written promise to pay an amount of money to someone at a given time.

Property

The name for anything which can be owned.

Pro rata

In proportion. For example, if 10 items cost £100 you would expect three items to cost £30 if they were priced pro rata. (Latin.)

Prosecution

The name for the team of people (lawyers and so on) bringing proceedings against someone else. Also when legal proceedings are taken against someone it is called a prosecution.

Prosecutor

The person who brings legal proceedings, on behalf of the Crown, against the accused.

Prospectus

A formal document giving details of a company's past performance and of its plans for the future. If a public company wants people to invest in it, it prepares a prospectus.

Protected tenancy

A tenancy agreement for a house. It gives the tenant the right to a fair rent and protection from eviction as long as the terms and conditions of the tenancy agreement are kept to.

Proviso

A clause in a legal document which qualifies another section of the agreement.

Proxy

A person appointed by a shareholder to go to a meeting of shareholders. The proxy can vote at the meeting for the shareholder.

Proxy form

A form for shareholders by which, if it is delivered to a company at least 48 hours before the shareholders' meeting, the person who is the proxy will be able to vote at that meeting.

Quango

An organisation set up by the Government to do a particular activity. It is partly independent and does not form part of the Government.

Quarter days

In England the days when payments which are made every quarter should be paid. The quarter days are the days that the seasons are said to start. The actual dates and their names are:

25 March - Lady Day;

24 June - Midsummer Day;

29 September - Michaelmas Day; and

25 December - Christmas Day.

Queen's Bench Division

Part of the High Court. Its main function is to deal with civil cases.

Queen's Counsel (QC)

A barrister who has been chosen by the Lord Chancellor to serve as counsel to the Crown. A Queen's Counsel is more senior than other barristers.

Quiet enjoyment

Allowing a tenant to use land without interference. When a tenancy is created the landlord is expected to allow the tenant to use the land without any interference, unless the tenancy agreement allows it.

Quorum

The lowest number of qualifying people needed for a meeting to be able to make a decision.

Rack rent

The full market value rent of a property.

Real property

Land and buildings, minerals in the land and rights over the land.

Receiver

Someone appointed to: sell assets to raise money to repay lenders; or protect property.

Recognisance

An undertaking, given by someone to a court, to make sure that they do what the court requires. If they do not do as the court wishes they may have to pay a sum of money.

Record

The documents in a court case from beginning to end.

Recovery

Regaining possession of land by taking court proceedings.

Redemption

Paying off all the money borrowed under an agreement.

Redundancy

Being dismissed from a job because it no longer exists.

Registered land

Any land recorded at the Land Registry. There is a system of recording and registering, at the Land Registry offices, details of land ownership and interests in land.

Registered office

The official address where documents can be served on a company.

Registrar of Companies

An official in charge of the office which keeps records of registered companies. There is a registrar for Scotland and another one for England and Wales.

Reinsurance

An insurance company insuring part of a risk it is covering. If an insurance company has taken on a large insurance contract it may decide to spread the risk of loss by insuring part of the risk with another insurance company.

Remainder

An interest which starts when a previous interest finishes. When more than one person has been left an interest in land the first person to possess an interest will have to die before the next person can possess an interest in the land, and so on.

Rent

A regular payment to the landlord by a tenant in return for being allowed to possess and use the landlord's property.

Reply

A claimant ('plaintiff' before April 1999)'s answer to a claim. In a civil case the defendant may offer a defence to the claim, or even make a counterclaim.

Repossession or repossess

A mortgagee recovering vacant possession of the property mortgaged.

Representation

Acting on behalf of someone else (such as a solicitor acting for a client); taking someone else's place (such as when a court gives an executor the right to deal with a dead person's affairs); or a statement in a contract.

Representative action

One or more people, in a group of people with the same grievance, taking legal action representing the group.

Rescission

The cancellation of a contract.

Reservation of title

A contract which leaves ownership of the goods with the seller until the goods have been paid for.

Reserves

Money set aside in accounts which can be spent in later years. Some types of reserve can only be spent if certain conditions are met.

Residence order

An order which a court issues when it has decided where a child should live, setting out details of the court's decision.

Res ipsa loquitur

Proof is not needed because the facts speak for themselves. If the defendant was in charge of events and an accident was caused on the face of it by negligence, then it may be presumed that the defendant was negligent unless there is evidence to the contrary. (Latin.)

Resolution

A decision taken by the members of a company in a meeting.

Respondent

The person an action is being taken against.

Restitution

An order for the return of stolen goods to the victim of the theft or for compensation to be paid to the victim; or a writ, following a successful appeal, for the return of the items lost after the original case.

Restraining order

An order which a court may issue to prevent a person from doing a particular thing. For example, if someone has been harassing another person, the court may order that the harassment must stop.

Restriction

When placed on a piece of land the owner cannot sell or mortgage the land.

Restriction order

This order by the Crown Court prevents a person being discharged from hospital, to protect the public.

Restrictive covenant

A deed which restricts how a piece of land can be used.

Retainer

A payment to a barrister to act in a case.

Revoke

To cancel or withdraw.

Revolving credit agreement

A loan agreement under which a person can borrow again to top up the loan, as long as they do not go over their credit limit.

Rights issue

An issue of extra shares by a company. Existing shareholders can buy extra new shares in proportion to the shares they already hold. The shares are usually on

sale at a lower price than the stock market price to encourage shareholders to buy. The Shareholders can sell the rights if they do not wish to use them.

Sale or return

An arrangement under which goods can be kept by the potential buyer for a period while their resale is attempted. Unsold goods can be returned if the conditions of the contract have been kept to and the buyer pays for the goods used.

Satisfaction

Paying a debt; settling an obligation by an act; or settling an obligation by substituting something satisfactory for what was originally required.

Scheme of arrangement

An agreement between a person with debts, who cannot pay them when they are due, and the creditors. The creditors share the money the debtor manages to pay in proportion to what they are each owed.

Scrip

A certificate showing the extra shares and fractions of shares the owner is entitled to.

Scrip dividend

A dividend paid in shares instead of cash.

Scrip issue

Free shares offered to the members of a company in proportion to their shareholdings.

Search

Inspection of the registers maintained by organisations such as the Land Registry. When a person intends to buy a property such as a house, a solicitor arranges the inspection. This is to find out if there is any adverse information about the property or the surrounding area.

Securities

Stocks, shares, debentures and so on where there is a right to receive interest or dividends from the investment.

Security

Something of value pledged to a bank by a borrower. If the borrower fails to repay the debt, the bank can sell the security and repay the debt out of the proceeds of the sale.

Security of tenure

Protection from a landlord attempting to obtain possession of the property the tenant is renting.

Sequestration

A court order for the seizure of someone's property.

Settle

Means: to create a settlement; to end a case by agreement; or to draw up a contract and agree its terms.

Settlement

When property is bestowed, usually by a will or a deed, on a trust for the benefit of people decided by the settlor. It also means voluntarily agreeing to settle a civil case.

Settlor

The person who gives property to a settlement.

Shadow director

A person who has not been appointed a director of a company but nevertheless gives instructions to the directors, which they comply with.

Share capital

The money invested directly in a company by its members. When the shares are first made available by the company, people can apply to buy them. The company states the price it wants for the shares.

Share certificate

A document which certifies who owns shares in a company. It gives the type and number of shares owned by the shareholder and lists the serial numbers of the shares.

Share premium account

An account in a set of books recording the extra amount over face value that shares have been issued for. If shares are issued for more than their face value, the extra amount over face value is called a share premium.

Shorthold tenancy

A tenancy under which the law allows the landlord to repossess the house.

Small claims court

A section of the county court which deals with small claims. There is a simplified way of making a claim in the county court in a civil case where the claim is for no more than £5000 (or £1000 in personal injury cases). Neither side can claim costs.

Sold note

A note that shows details of investments which have been sold, including the sale price and any charges taken. Stockbrokers produce sold notes for their clients.

Special resolution

A resolution which must be approved by holders of at least 75% of the shares with voting rights. (Some types of share give their owners the right to vote at shareholder meetings, but there are other types which do not.)

Specific performance

A court order to complete a contract. The courts may order a person who has failed to fulfil an obligation under a contract to complete it.

Stamp duty

A tax on the transfer documents for certain types of transaction. Examples are buying shares, patent rights and properties.

Statement of claim

The claimant's written statement setting out the claim in a civil case. (This term has not been used since April 1999.)

Status

How the law regards a person, such as whether the person is a minor or a bankrupt and so on.

Statute

An Act of Parliament.

Statute book

All the existing statutes in a country.

Statute law

The law created by Acts of Parliament.

Statute of limitation

A statute which sets out the time limits within which a court action must take place.

Statutory accounts

Company accounts which have been filed with the Registrar of Companies. The accounts have to disclose (show) the information required by the Companies Acts.

Statutory audit

An audit required by law. Certain companies have to have their accounts audited by suitably qualified accountants.

Statutory books

Books of account which companies must keep by law to show and explain all their transactions.

Statutory demand

A written demand for payment of a debt of more than £750.

Statutory instrument

A power delegated by Parliament. Parliament can delegate its power to make and amend law to a person or organisation. A statutory instrument is one of these powers and is used by government ministers to amend legislation.

Stay of execution

The suspension of the carrying out of a court order.

Stipendiary magistrate

A magistrate who gets a salary.

Stockbroker

A person who buys and sells stocks and shares for clients.

Subject to contract

An agreement which is not binding until a contract has been signed.

Sub judice

Describes something being dealt with by a court which cannot be discussed outside the court. (Latin.)

Subpoena

A writ requiring the person it is addressed to attend at a specific place (such as a court) on a specific date and at a stated time.

Subrogation

Substituting one person for another including all rights and responsibilities.

Subscribers

The people who set up a limited company.

Subsidiary

A company controlled by another company. The control is normally a result of having more than 50% of the voting rights.

Sue

To start legal proceedings in the civil court against someone.

Sui generis

Describes something that belongs in a particular category or is the only one of its class. (Latin.)

Sui juris

Describes someone who can enter into a contract without any restriction. (Latin.)

Suit

Proceedings brought by one person against another in a civil court.

Summary judgement

Obtaining judgement without a trial. In an action in the High Court to recover damages or a debt, if the claimant ('plaintiff' before April 1999) swears an affidavit that it is believed that there is no defence to the claim, the claimant ('plaintiff' before April 1999) can obtain summary judgement.

Summary proceedings

A trial by magistrates, where the defendant has the right to choose which court should hear the case, but has agreed to be tried in the magistrates' court.

Summary trial

A trial by magistrates.

Summons

An order by a court that a person attend at a particular court at a stated time on a particular date.

Superior courts

The higher courts in English law, which include the High Court, the Court of Appeal, the Crown Court and the House of Lords. Their decisions act as precedents for the lower courts to follow.

Supreme Court

The highest court below the House of Lords. The full name is the Supreme Court of Judicature. It is divided into: the Crown Court; the High Court of Justice; and the Court of Appeal.

Surcharge

A penalty charged if tax is paid late. It is also an extra charge banks make if customers do not keep to the agreements they made with the bank.

Surety

Someone who takes responsibility for someone else's debts or promises, and guarantees that they will be paid or undertaken (done). It is also the name for the money put up as security that someone will appear in court. If they do not appear in court the money will be forfeited.

SWIFT payment

A payment from one bank account to another using the SWIFT system. SWIFT stands for Society for Worldwide Interbank Financial Telecommunications and it is an international system for paying by credit transfer.

Tangible asset

An asset which can be physically touched.

TAURUS

A computer system intended to replace paper stock transfer forms and share certificates.

Tax

Money raised by the Government to pay for the services it provides. Some taxes are called indirect because they are part of the price we pay for goods and services, such as VAT. Other tax is called direct because the individual taxpayer pays it. Income tax and corporation tax are examples of direct taxes.

Taxable supply

A term for supplying goods and services on which value added tax can be charged. This applies even if the tax rate is 0% at present, because it can be increased if the Government chooses to.

Taxation

The levying of taxes.

Taxation of costs

The scrutiny of and, if necessary, the lowering of a solicitor's bill to a client. The scrutiny is done by a court officer.

Tax avoidance

Reducing tax bills by using legal means.

Tax evasion

Breaking the law to reduce tax bills, such as by concealing income.

Tax point

The date when value added tax arises on goods or services supplied (or made available) to a customer. The tax point should be displayed on invoices. It is not necessarily the same as the date of the invoice.

Teeming and lading

A term used to describe attempts to hide the loss of cash received from one customer by using cash from other customers to replace it. This fraud can carry on by using cash from other customers in the same way.

Tenant

A person or organisation granted a lease.

Tender

Supplying a price for a job. If an organisation asks firms to send in tenders for supplying something, they are asking for firm written offers to do the work to an agreed standard and at a stated price.

Tenure

How a piece of land is held by the owner (for instance freehold or leasehold).

Term

Any of the clauses which form part of a contract.

Testify

To give evidence.

Testimony

The evidence a witness gives in court.

Title

The right to own something.

Title deeds

The documents which prove who owns a property and under what terms.

Tort

Doing something which harms someone else. It may result in a claim for damages.
(Old French.)

Trademark

A mark which is registered at trademark registries and which is used on products produced by the owner. It is illegal for anyone else to display the mark.

Transcript

The official record of a court case.

Transferable securities

Securities, such as debentures, which can have their ownership changed.

Transferee

The person something is transferred to.

Transferor

The person who transfers something to someone else.

Treasury

The government department which administers (manages) the country's finances.

Treasury bill

An unconditional promise by the Treasury to repay money it has borrowed for the short term (up to one year), to pay for government spending.

Trial

An examination of the evidence in a case and the law which applies.

Tribunal

is: a body set up to act like a court, but outside the normal court system; a forum to hear disputes and with the authority to settle them; a body given power by statute to discipline members of a profession who do not keep to the high standards of behaviour demanded of members of the profession; or a body set up by the members of an association to police the members' actions.

Trust

A financial arrangement under which property is held by named people for someone else.

Trust Corporation

A company which acts as a trustee and holds a trust's assets.

Trust deed

A legal document which is used to: create a trust; change a trust; or control a trust.

Trustee

A person who holds property and looks after it on behalf of someone else.

Trustee in bankruptcy

A person who administers (manages) a bankrupt person's estate and pays any available money to the creditors.

Ultra vires

Beyond one's powers. If an organisation does something ultra vires, what it has done is invalid. (Latin.)

Underlease

The lease of a property by a tenant of the property to someone else.

Undertaking

A promise which can be enforced by law such as a promise made by one of the parties or by their counsel during legal proceedings.

Unfair contract terms

Prevents a party to a contract unfairly limiting their liability. The Unfair Contract Terms Act 1977 was passed to control unfair exclusion clauses. In particular, in a case where someone had been killed or injured because of someone else's negligence the act prevented a contract limiting the negligent person's liability.

Unfair dismissal

Sacking an employee unfairly. When an employee has been dismissed it is the employer's responsibility to prove that the dismissal was fair. If an industrial tribunal finds that the dismissal was unfair it can insist on compensation or reinstatement.

Unit trust

A trust which manages investments. People can invest in unit trusts by buying units. The managers of the trust use the money people invest to buy investments. The fund manager values the fund's assets from time to time and puts a new price on the fund's units.

Unliquidated damages

The amount of damages decided by a court because the parties to a contract had not agreed in advance how much the damages would be for breaking the terms of the contract.

Unregistered company

A company which is not registered under the Companies Acts.

Unregistered land

Land which is not recorded in the registers at HM Land Registry.

Unsecured creditor

Someone who has lent money without getting any security for the loan.

Vendee

A person who buys something.

Vendor

A person who sells something.

Verdict

The jury's decision at the end of a case.

Vesting order

A way the High Court transfers land without the need for a conveyance.

Vexatious litigant

A person who regularly brings court cases which have little chance of succeeding.

Vicarious liability

A situation where someone becomes responsible under the law for wrongs done by someone else. This often happens when an employee does something wrong while at work which becomes the employer's responsibility (such as an employee working negligently and causing someone else to be hurt because of the negligence).

Void

Unable to be enforced by the law.

Voidable

Able to be cancelled in certain circumstances.

Voluntary arrangement

An agreement between a debtor and the creditors. If a person or a company cannot pay their debts when they are due they can come to a voluntary arrangement with the creditors to pay the debts over a period. If the creditors agree with the proposals it avoids bankruptcy of the individual or liquidation of the company.

Warrant

Is: a certificate which gives the person holding it the right to buy shares at a given price; _ a magistrate's written instruction to arrest someone; or _ a magistrate's written instruction to search a property.

Warranty

A term in a contract. If the term is not complied with damages can be claimed by the injured party.

Winding up

Disposing of all a company's assets and paying all its debts. Any money left is then divided among the members.

Without prejudice

When written on a document, the document cannot be used as evidence that a contract or agreement exists.

Witness

Someone who: watches a signature being put on a document, and then signs as well to verify the signature's authenticity; or _ attends court to testify about events they know about. To witness a document is to watch it being signed and then add your own signature and name, address and occupation.

Words of art

Words which have a fixed meaning in law so that their use in a legal document can have only one interpretation.

Writ

An order issued by a court telling someone to do something or not to do something. (This has been known as a 'claim form' since April 1999).

Wrongful dismissal

Ending an employee's contract without following the contract's terms.

Wrongful trading

Continuing to trade while knowing that there is little prospect of the company being able to pay its debts.