



L'beepA

Legal Audit

**Checking for the
risk alarm bells in
your business**

What is Sydney Business Lawyers legal audit service?

Sydney Business Lawyers L'beepA service is a legal audit of your business to check for risks that can be inside businesses without the business owners knowing it.

Sydney Business Lawyers L'beepA legal audit rings the alarm bells on those risks by identifying risks within your business before they do any damage that may be a threat to:

- the business; and/or
- your assets; and/or
- the value of your business, the value of your investment in it and/or the value of your assets,

due to things like non compliance with government requirements and / or uninsured claims against the business.

What sort of risks is Sydney Business Lawyers talking about?

Risks arise daily in the operation of a business. Many of them can be eliminated and if not eliminated, reduced to an acceptable level, without substantial cost. Below we list some examples of those risks that are real. If you don't do something about them, you are potentially putting your business at risk, the value of your investment at risk and quite possibly, the assets of the individuals operating it at risk.

Example 1 - If you employ staff and do not comply with the national workplace health and safety laws, including by having a workplace health and safety policy, you are potentially exposing the business and its managers to fines and possible prison sentences and possibly to unwanted publicity of the failure to comply.

Example 2 - Have you or a related party lent money to your business and not taken security over the business assets? If so and the business becomes insolvent, you risk not being able to get your money back if the business stops trading due to the insolvency. Had you put appropriate security in place, you may at least have been able to get priority against the unsecured creditors and be able to recover your money.

Example 3 - If you have a turn over of \$3m or more and do not have a privacy policy, you are potentially exposing the business to fines or the need to give undertakings about future compliance and possibly to unwanted publicity of the failure to comply.

Example 4 - Did you know that directors of a company can be held personally responsible for obligations of the company like unpaid company tax and superannuation, breaches of the workplace health and safety laws and breaches of environmental protection rules. So if you are a husband and wife running the family business through a company and both of you are directors of the company, while you both remain directors, you are exposing your jointly owned personal assets to the risks that arise from you both being personally responsible for those company obligations.

Example 5 - Did you know that if your business is owned and operated by a unit trust and the unit trust deed does not have a provision in it limiting the obligations of the unit holders against the obligations of the trustee of the trust, the unit holders of the trust can be held personally liable for the obligations of the trustee?

Example 6 - If you operate a business, is the entity that operates it a sole purpose vehicle? If not, all of those assets of the operating entity, not just the business operating assets are exposed to the trading risks arising from uninsured claims against the business.

Example 7 - If you operate a business, does the business own any assets other than the goodwill of the business? If it does, those assets (like land, plant and equipment, stock and intellectual property) are exposed to the trading risks arising from uninsured claims against the business.

Example 8 - If you have a business that is heavily reliant on intellectual property for its value, unless that intellectual property is owned by a separate entity and licensed to the business, then the intellectual property is exposed to the trading risks arising from uninsured claims against the business.

Example 9 - Did you know that if you own a multi generational business or a multi family business and you do not have an enforceable contract in place for what happens if an owner in the business dies, you may end up in a dispute about how to pay out their estate, you may not have the funds to pay out the estate and you may not be left in control of the business.

These are all risks that we have seen in businesses. They happen and they can be managed if they exist in your business. There are many more.

How does the Sydney Business Lawyers legal audit (L'beepA) service work and what does it cost?

Sydney Business Lawyers L'beepA service starts with our free on-line Q&A about your business that you can access from the "Start the Audit" link on our website.

If you answer "No" to any of the questions, you will have identified a potential risk posing a threat to your business.

When you finish the Q&A, you will be sent an electronic copy of it that, either with your own lawyer or with Sydney Business Lawyers, you can work out a risk remediation program to deal with the risks that have been identified.

Sydney Business Lawyers approach to the risk remediation program is, where possible, to give you a fixed fee to deliver each part of it.

Our L'beepA Legal Audit is not a lead generation tool that will result in unwanted emails and telephone calls to you. So please remember that we will not contact you about the outcome of your audit unless you contact us and request our assistance.

Contact us by telephoning Mikari Zingg on 02 8915 4920 or mikari@sydneybl.com.au if you have any questions.

Disclaimer The information in this document is general in nature and is not intended as legal advice. You should not do or fail to do anything in reliance on information in it. We do not accept any responsibility for any loss that you suffer if you do. You should seek professional advice before you do anything about the issues set out in this document.

If you would like to receive electronic newsletters from Sydney Business Lawyers, please forward your email address to the address below.

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