GLOSSARY OF TERMS FOR ANGEL INVESTORS AND INVESTEE COMPANIES

Term	Meaning
Accelerator (also known as an Incubator)	An organised group or organisation that assists young high growth companies to work together, providing mentoring, access to professionals and workshops. They may also provide **Seed** level funding.
Accounting Reference Date	The date to which the company's accounts will be drawn up each year (the company's financial year end).
Administration	A statutory procedure providing a possible alternative to the liquidation or receivership of a company whereby the company may be reorganised or the assets realised. During the period of administration the company is protected from its creditors whilst the administrator runs the company. At the end of the period of administration the company will hopefully have been rescued or the assets of the company will have been sold by the administrator.
Administrative receivership	A term for receivership. If a company is no longer financially viable, an administrative receiver may be appointed to run the company, probably with a view to selling it as a going concern. The company is then said to be in administrative receivership or, more commonly, in receivership.
AIM	The stock market originally know as the 'Alternative Investment Market' but now simply known as AIM. AIM is regulated by the London Stock Exchange and was established for use by smaller, growing companies. A less stringent regulatory market makes AIM more attractive to growing companies who may require more flexibility than the main market of the London Stock Exchange or who do not meet the criteria of the main market.
Anti-Dilution Provisions	Provisions in investment documents which protect an investor from the dilution of their investment resulting from the later issue of shares or other stock at a lower price than the investor originally paid. Such a provision will usually be subject to certain exceptions (such as the grant of options under an incentive scheme) and there are different mechanisms that can be used to achieve the protection (such as the issue of further shares or the adjustment of the conversion rate on preference shares). Please see the Guidance Note on the Term Sheet for

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	further information on Anti-Dilution Provisions.
Articles of Association (may also be referred to as Constitution)	The Articles make up a company's constitution and set out the internal structure of the company and how the company will be run. The Articles regulate matters such as the transfer of shares, management by the Board and the procedure for General Meetings of the company.
Assignation	A contract used to transfer legal rights from one person or entity to another – i.e. transfer of IP rights from one party to another.

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Bad Leaver Provisions	A provision within a Shareholders agreement, Constitution or other agreement that classifies a shareholder leaving a company as a 'Bad Leaver'. A Bad Leaver will generally mean an individual leaving through dismissal or within a time period fixed at the time of the investment. A Bad Leaver will usually receive only the nominal value of their shareholding rather than the 'fair value'. Good Leaver/ Bad Leaver provisions can be used to incentivise key management to remain with the company. See also: ***Good Leaver Provisions***.
Bridge financing	Interim finance received by a company to cover a short term funding shortfall.
Business angel	An individual who invests sums in a growth businesses, usually for equity. An angel will often be appointed to sit on the Board of the company as a non-executive director and will seek to add value to the company through expertise and experience rather than simply funding.
Business Plan	A plan which sets out the key facts about the company, the aims of the company, the strategic plan for achieving these aims and the financial forecasts of the company. The Business Plan will be a key document for any company seeking funding and will be the document upon which Business Angels and other investors base their decision to invest or to consider investing, in a company.
Cap Table or Share Cap Table	This is a table showing the various shareholdings in the Company. This should show the percentage shareholding of each shareholder as well as the effect of any dilution by, for example, an **employee option scheme**.
Capital gain	The difference between the price paid for a capital asset (such as shares) and the price at which it is sold.
Cash flow	Cash Flow is the amount of cash actually held by a company taking into account the cash coming in and out of the company (i.e. receipts and expenditure). It should be distinguished from profit. A company can have a high profit margin but still fail due to problems with cash flow. If a Company has positive cash flow, it has money available to expand its operation and to pay dividends to investors. Cash Flow should very carefully monitored by growing companies.
Change of Control	A process undergone by a company when control shifts from one party to another party, usually be means of purchase of the Company. A Change of Control may trigger certain provisions in a

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	Shareholders Agreement.
Classes of shares	It is possible and quite common practice to provide for different classes of shares within a Company. Different classes of shares can have different rights attached to them and can therefore be treated differently. For example, one share class may be entitled to receive dividends while another share class is not. Whether or not different classes of shares are required will depend upon the Company and what has been agreed between the founders and the investors.
Compelled Sale Rights	Where a VC (venture capitalist or investor) has the right to sell the Company if an **Exit** has not been achieved within a certain period of time from **Completion**.
Completion; Completion Date	The act or process of completing a transaction. In the context of a business angel investment, at completion all of the investment documentation will be signed and investment funds paid to the company.
Completion Bible	A set of the relevant documents relating to a deal which are grouped together for ease of reference following Completion and circulated to all the relevant parties.

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Conditions Precedent	Conditions contained in a Shareholders Agreement or other contract which must be met prior to the deal being completed. Common examples include the provision of information about the company's trading and financial position or key man insurance being put in place.
Conditions Subsequent	Conditions contained in a Shareholders Agreement or other contract which must be met subsequent to the deal being completed, usually within a specified timescale. For example, if key man insurance cannot be obtained prior to completion it may be a Condition Subsequent that it is obtained within a certain period following Completion.
Confidentiality Agreement; Also known as a Non-Disclosure Agreement	An agreement outlining that information disclosed in the course of a transaction or Due Diligence will be kept confidential and used only for the purpose for which it is disclosed. Confidentiality provisions will often be contained in the Heads of Terms/ Term Sheet rather than in a separate Confidentiality Agreement.
Constitution; Also known as Articles of Association	The constitution sets out the internal structure of the company and how the company will be run. The Constitution regulates matters such as the transfer of shares, management by the Board and the procedure for General Meetings of the company.
Contribution Agreement	This is a contractual agreement between parties who have provided **warranties** where they contractually agree how liability for those warranties will be shared between them. This is separate to any such liability agreed under the Shareholders Agreement.
Convertible	Financial instruments (such as shares) which convert into other financial instruments, often ordinary shares. For example, a convertible loan note will convert into a certain number of ordinary shares in certain circumstances which are agreed when the investment is made.
Cumulative Preference shares	The holders of preference shares have preferential rights in relation to the payment of dividends and/or on a **Return of Capital**. If dividends on Cumulative Preference Shares are not paid, they accumulate until they are paid entitling the holders of such shares to dividends which have not been paid in previous financial years.
Damages	A sum of money claimed or awarded in compensation for loss.
Debenture/Debenture	A document issued by a company in favour of a creditor with

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Stock	an undertaking to pay the creditor and providing the creditor with security over the company's assets and undertaking (typically secured by way of a **Floating Charge**.)
Debt	It should be distinguished from equity as a manner of financing a company. Debt describes sums that are borrowed either from a bank or from another lender and which will be re-payable either at a certain time or on demand and upon which interest will generally be payable.
Deed of Adherence	A contractual document used where a third party becomes a shareholder in a company and is required to become a party to an existing shareholders agreement before obtaining their shares.
Development capital; Also referred to as Growth Capital	Funds received by way of equity for the specific purposes of growing the company (as will usually be set out in a **Business Plan**).
Dilution	Caused by the issue of more shares in the Company which results the percentage of the existing shareholders being lowered.
Directors' and Officers' Liability Insurance ("DOLI")	Insurance designed to protect Directors and Officers of a company from loss resulting from claims made against them in relation to the discharge of their duties as Directors or Officers.
Disclosure Letter	A letter from the current shareholders of a company or their solicitors to an investor making disclosures against the **Warranties** contained in the **Shareholders Agreement** in order to minimise their liability in respect of a breach of Warranty. See also: ***Warranty Limitations***.
Dividends	If a company has profits available for distribution it may distribute these by way of dividend payments to its shareholders. Whether or not a shareholder is entitled to receive dividends will depend upon the type of shares they hold in the Company and the rights attaching to such shares. This is one way in which an investor can get a 'return' on their investment.
Down Round	Refers to where the price per share in a round is less than in a previous round of funding.
Drag-Along Rights	Rights contained in a company's **Constitution** (or **Articles of Association**) enabling the majority of the shareholders (set at a certain percentage which will vary from company to company) to accept an offer to buy their shares and to compel

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	the holders of the remaining shares to accept the offer on the same terms as those agreed with the majority of shareholders. See also: ***Tag-Along Rights***.
Due Diligence	Before business angels or any other investors make an investment in a company, they will undertake investigations into all aspects of the company including its financial position, litigation, employees and contracts. This is known as due diligence. See also: ***Due Diligence Checklist***.
Early Stage	Investments are often categorised with regard to the age and stage of the company. In general the earlier the stage the higher the risk. The stages are: seed, start-up, early stage development and growth.
Earn out	An arrangement where part of the purchase price on the sale of a business is calculated by reference to the future performance of the business often used to incentivise owner-managers who continue to work in the business following the sale.
Employee Incentive Scheme; Also known as Option Scheme	A company may set up an option scheme in favour of its employees whereby the employees are entitled to shares in the Company (at an agreed price) when certain targets are met. This can be a useful mechanism to incentivise employees and it can also be tax efficient.
Employment Contract (may be called "Service Contract") or "Service Agreement")	This is the contract that sets out the terms upon which an employee is employed by the Company. This will include important provisions such as hours of work, pay and holiday entitlement. Such a contract is sometimes referred to as a Service Agreement when referring to directors of the Company.
Equity	Equity should be distinguished from **debt** and is a source of funding for a company whereby an investor will receive shares for its investment in the company. An equity investment is generally seen to be a 'higher risk/higher reward' type of funding for a company.

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Exclusivity Agreement; Also known as Lock-Out Agreement	Exclusivity will often be requested by investors. Under an Exclusivity Agreement, the company and/or its shareholders undertake not to negotiate or solicit investment from any other third party for a specified period of time. This allows the investor to undertake diligence and negotiate the terms of the investment with the comfort that the company and/or its shareholders will not seek investment elsewhere.
Executives	Those members of the Board working in the day to day running of the Company.
Exit	The realisation by an investor of their investment in an investee company. The usual routes for an exit are a management buy-out, trade sale or listing.
Factoring; Also known as Debt Factoring	A method used by companies to improve their cash flow and to manage debts. The company assigns its invoices to a debt factoring company in return for cash (to assist with working capital and cash flow). In return the debt factoring company charges a fee on the sums provided to the company and for collecting the sums due.
Fees	Some investors/ investor groups charge fees in connection with negotiating deals, monitoring investments and may also charge fees for the services of investor directors. This will vary between investors and also depending upon the regulatory rules in the relevant jurisdiction. **IMPORTANT NOTE**: **<u>It should be noted that charging fees can mean that an investor as to comply with regulations and statutory provisions so full advice should be taken in the relevant jurisdiction.</u>**
First Tranche	See **Tranche**.
Fixed Assets	Assets which are fixed and which provide capacity to earn revenue (for example, land, machinery, equipment and buildings).
Floating Charge	A charge taken by a lender over all the assets or a class of assets owned by a company. A Floating Charge will crystallise upon default at which stage it is converted to a fixed charge over the assets held by the company at that time.
Flotation	When a company is admitted to a recognised stock exchange. Flotation is an example of an exit for an investor.
Founders	The founding shareholders of the Company.

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Friends and Family	It is common for a start-up to be funded initially by Friends and Family – i.e. by an informal group looking to support the Company. This is almost always before the angel investment stage.
Full Ratchet (when used in relation to Anti-Dilution)	This term is used when referring to anti-dilution provisions and how the anti-dilution is to be structured. Full ratchet means that if the Company issues shares at a price lower to that paid by the investors, then the price paid by the Investors is effectively lowered to the price of the new shares being issued.
Fully Diluted Share Capital	The share capital of the company when all of the proposed investment monies have been invested or options exercised.
Gearing; Also known as Leverage	A term used to describe the ratio of **debt** to **equity** of a company. There is no statutory definition of Gearing so the exact terms upon which Gearing has been calculated should always be confirmed. In general, the higher the gearing, the more vulnerable the company is to market changes.

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Good Leaver Provisions	A provision within the Shareholders Agreement, Constitution (or Articles) or any other agreement that classifies a shareholder leaving a company as a 'Good Leaver'. A Good Leaver will usually mean an individual leaving employment through disability, death or retirement. A Good Leaver will usually receive a fair value for their shares and will receive most (if not all) of their contractual benefits. Good Leaver/ Bad Leaver provisions can be used to incentivise key management to remain with the company. See also: ***Bad Leaver provisions***.
Governing Law	This is the law of the relevant jurisdiction and it is important to be clear on which law governs any contract or investment.
Group/Group Company	A group of companies consisting of a parent company and subsidiary companies whose affairs are generally managed as a unified whole.
Heads of Terms; Also referred to as Term Sheet or Offer Letter	A document which sets out the terms of a commercial transaction agreed in principle between parties in the course of negotiations. Heads of Terms show intent but are not generally legally binding other than certain provisions included in the Heads (such as confidentiality, exclusivity and costs).
Holding Company	A company which holds a number of subsidiary companies.
Indemnity	In the context of an investment an undertaking by the existing shareholders and/ or Directors to meet a specific potential legal liability identified in the diligence process in relation to the company. An indemnity entitles the person indemnified to a payment if the event giving rise to the indemnity takes place.
Initial Public Offering ("IPO"); Also see Flotation and Listing	This is the first time that a company tries to raise funds on a public market such as a stock exchange (for example, the London Stock Exchange or **AIM**).
Intangibles	Assets of a company that are of a 'non-physical' nature such as intellectual property (i.e. patents, trade marks or brands).
Intellectual Property	Intangible assets of a company such as patents, brand names or trade marks. Intellectual Property is often the key asset in a company seeking funding from business angels.
IP Sweeper Assignation	Investors will often ask founders and/or those involved in developing the IP in a Company to sign an IP Sweeper Assignation at/prior to Completion of the investment. This is a widely drafted document which means that all IP relating to IP assigned

	to the investee Company is transferred over to the Company.
Internal Rate of Return ("IRR")	A compound rate of interest worked out over the life of a private equity investment reflecting both the investment return and the rate at which the return is produced. The return on investment that an investor needs to compensate for the risk involved in making that investment will depend on the type of investor and company. Equivalent to the compound rate of return of an investment.
Investment Agreement; Also known as Shareholders Agreement or Subscription Agreement	The Shareholders Agreement sets out the contractual position between the parties, the terms of the investment (such as the funding being provided and the number of shares subscribed for). The Agreement will also set out the conditions of the investment and the warranties being provided by the founders. See: ***Style Shareholders Agreement and Explanatory Notes***.
Investor Director	A director appointed by the investor (or a group of investors) to sit on the Board of the investee company. The investor will usually act as a non-executive director. The right to appoint an investor director will usually be required by an investor.
Investor Majority	This term is used in the Shareholders Agreement and will usually be a certain percentage of the investors (if there is more than one investor). This could be 50% of the investors. The Shareholders Agreement will set out that certain matters need to be agreed by Investor Majority (for example, the appointment of a new director). This is a useful provision to have where there is a group of investors as it means that not every single investor has to agree to such matters. The percentage level should be considered carefully by the investors.
Issued Share Capital	The total nominal value of the shares of a company that have been issued to shareholders.
Joint and Several	Care should be taken with the terms 'Joint Liability', 'Several Liability' and 'Joint and Several Liability' as their meaning differs between Scots Law and other jurisdictions. If parties are jointly and severally liable a pursuer can sue each party in respect of the whole amount of such liability. **<u>The law in the relevant jurisdiction should be clarified.</u>**
Key-Man Life Assurance	A life assurance policy taken out in respect of a key executive which provides the company with a cash cushion in the event of the death of that executive to compensate for the disruption and effect of such death on the company. Key man insurance for key people is often a **Condition Precedent** of an investor's investment although in some cases the costs can be prohibitive.

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Lead Investor	In a syndicated investment between different investors or different groups a 'lead investor' is often appointed to lead the deal process on behalf of all of the investors. Each party should be clear about who the lead investor is and what their remit is.
Leveraged buy-out	The purchase of a business using a high level of debt compared to a small level of equity.
Liquidation	The realisation of all of a company's assets, for distribution to creditors and shareholders in order of priority. A liquidation can be either voluntary or compulsory.
Liquidation Preference	A Liquidation Preference determines the order in which a company's assets are realised for the benefit of creditors (including shareholders) upon liquidation. For example, a liquidation preference may provide that a certain class of shares will rank ahead of the other shares in the company in the event of a liquidation.
Listing; Also see Floatation and IPO	A company is said to be "listed" when it trades its shares on a stock market.
Loan capital	Form of debt repayable on certain dates or at certain intervals. This can be distinguished from a bank overdraft which is usually re-payable on demand.
Loan Notes/ Convertible Loan Notes	Investment put in by way of a loan but which can be converted into shares on agreed terms. Convertible Loan Notes are often used to try and address the issue of valuation which can be difficult to agree between the founders and the investors. Full tax advice should be taken where Convertible Loan Notes are being used.
Management buy-in ("MBI")	Purchase of a company by a manager or group of managers from an outside company (often with private equity and bank funding).
Management Buy-out ("MBO")	Purchase of a company by operating management to buy the company they currently manage (often with private equity and bank funding).
Mezzanine Finance	Care should be taken with this term as it has been used by different people to mean different things. Sometimes used to describe **Bridge Finance** it is now commonly used to describe

	debt finance that ranks in priority behind senior debt but ahead of trade creditors or equity often secured and commonly convertible into equity of the borrower.
Milestones	Conditions used to measure whether certain achievements have been met by a company. Often used in conjunction with payments in **Tranches**.
Net Asset Value	The value of the assets owned by the company less the value of any liabilities of the company. Net asset value (which may be referred to as **NAV**) is one mechanism for calculating the value of shares in a company.
Non Disclosure Agreement or NDA	Essentially a confidentiality agreement between the parties which prevents any disclosure of confidential information to any third party. Often entered into before, for example, any discussions regarding the sale of a company or technical discussions regarding key technology of the Company.

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Non-executive director	A director who is usually part-time but who is not an executive director or employee of the company and often appointed on behalf of an investor or group of investors. The general view is that they can operate as an independent director able to take a long-term view of a company and protect the interests of investors. A non-executive director is usually subject to all of the same legal obligations (such as Directors' Duties) as a non-executive director (although this should be checked in the relevant jurisdiction). See also**:** ***Investor Director***.
Observer	A person often appointed by an investor or group of investors who is entitled to attend Board meetings but who is not entitled to vote and who is not appointed as a director of the company. This is one method by which an investor can monitor their investment without sitting on the Board.
Offer Letter	See Heads of Terms.
Options	An option confers a right to acquire shares at the end of the option period for the price agreed at the date the option is granted. Options can be structured in a number of different ways and used in different contexts. Options can be tax efficient.
Pay to Play	This is a term used to describe provisions in investment documents that mean that if an investor is offered more shares and does not take them up his shares will be converted from preferred stock/shares to common stock/ shares and may also lose their **Anti-Dilution** rights.
Permitted Transfer	A transfer of shares which is permitted under the Constitution (or **Articles of Association**) and whereby the shares do not have to be offered round to existing shareholders or subject to any other provisions prior to being transferred. The Constitution will often allow shareholders to transfer shares to family members or, in the case of corporate shareholders, to members of the same **Group**. This can be attractive from a tax planning perspective.
Post-Money Valuation	The value of a company after an investment has been made, useful for the purposes of referencing subscription price and percentage shareholding in a company. For example, if an investor is subscribing for 10% of a company at £100,000 the **Post-Money Valuation** of the company is £1,000,000.
Power of Attorney	This is a contractual document provided by an individual in favour of another that allows the Attorney to undertake actions

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	on their behalf such as sign investment documentation. This can be useful where a group of investors are investing together (i.e. it means that not all of the investors would have to attend and sign at the Completion meeting). The document will set out the remit of the Attorney(s) which will be limited.
Pre-Money Valuation	This is the valuation of the Company immediately prior to the investment being made which should be agreed between the Company and the investors. The value will depend upon the assets of the Company, the Business Plan, sales (if it is in a sales phase) and projected sales.
Pre-emption Rights	A right of first refusal for existing shareholders over the issue of new shares allowing them to preserve their percentage shareholding in the company and prevent dilution.
Preference shares	Shares which hold preferential rights over ordinary shares, typically including a first right to dividends and any capital payment.
Proof of Concept	Where the product as been proven to work in terms of the science or technology (at an initial level).
Ratchets	A performance related price adjustment mechanism often used as an incentive for owner managers in private equity transactions. Mechanisms vary but generally ratchets have the effect of increasing the amount of equity held by managers if certain targets are reached.
Receivership	See **Administrative Receivership**
Redeemable shares	Shares which can be repurchased by the company at a predetermined value as set out in the company's **Constitution (or Articles of Association)**. This may be a useful alternative to a buy-back of shares by a company.
Remuneration Committee	A committee put together to determine the remuneration or pay of each Executive and employee. Often investors will want to ensure that their Investor Director is part of the Remuneration Committee.
Reserved Matters; Also known as Investor Protections or Investor Controls	Certain matters that cannot be carried out in relation to the company without the consent of a certain percentage of the shareholders in the case of fundamental decisions (such as changes to share capital) or the consent of the directors (usually including any investor director) in relation to matters of management.

Restrictive Covenant; Also known as Non-Compete Clauses	A negative covenant that restricts the way in which a party can act after the occurrence of a certain event (such as when a shareholder or director leaves the company). Commonly found in contracts of employment or service agreements to protect the employer's/ company's business by restricting the activities of an employee/director when the employment has ended.
Return of Capital	The return to an investor of all or part of the money invested in a company such as in the case of a **Liquidation** or a sale of the Company.
Sale	A type of **Exit**. Where the Company is sold, usually to a third party.
Second Round Financings	Finance made available to a company which has already had initial investment but needs more cash to grow or to continue.
Second Tranche	See **Tranche**.
Seed Capital	Capital provided at the very early stage of a company perhaps for the development of a **Business Plan** or to meet other start-up costs.
Series A	Used to describe a Company's first round of VC investment (although some existing angel investors may also come in at this round).
Service Agreement/Contract	Agreement entered into between a company and a director in relation to the provision of their services to the company. Similar to an employment contract and will formalise the terms of their appointment.
Shareholders Agreement	Sets out the contractual relationship between shareholders in a company (along with the **Constitution or Articles of Association**). The Shareholders Agreement is not a public document however, and will contain provisions on a wide range of matters including the structure of the board and provisions of a more commercial nature. Similar to an **Investment Agreement**.
Spin-Out	Often used with reference to a University or other academic institution, a 'spin-out' is a company that has been formed from a larger body.
Subscription Agreement	See **Shareholders Agreement**.

Subscription Price	The price at which shares in a company are bought or the price at which shares may be purchased in the future.
Subsidiary	A company that is controlled by another (parent or holding) company.
Sweat Equity	Term given to shares issued to founders or shareholders in consideration of the time and effort invested in the company (as compared to money invested).
Syndication	An investment whereby different investors or groups of investors invest in a company. This can be used when one investor or group cannot raise the funds required or to lower the risk of the investment. Usually a **Lead Investor** may be appointed.
Tag-Along Rights	Tag along rights or 'piggyback' rights are contained in a company's **Constitution** (or **Articles of Association**) and allow (usually minority) shareholders to force other shareholders (who wish to sell their shares) to ensure that their shares are also bought on the same terms. See also: **Drag Along Rights**.
Term Sheet	See **Heads of Terms**.
Trade Sale	The sale of a company to another company. A type of **Exit**.
Tranche	From the French word meaning a "slice" the term Tranche is used to identify different stages of an investment. For example an investment of £500,000 may be split over two Tranches of £250,000 whereby £250,000 is paid on **Completion** and £250,000 is paid as a second Tranche at a later date on the completion of certain **Milestones**.
Venture Capital or VC	This term is widely used in various different contexts and has now come to be used in relation to almost all types of investment in private companies. Although not always distinguished from business angels venture capital commonly describes capital provided by venture capitalists who are professional investors or part of a professionally managed and regulated fund. Angel investors are generally less formally organised and not regulated and are typically looking to provide expertise rather than just funding to the investee company.
Warrant	A warrant may be agreed and is similar to a share option. A warrant by the Company in favour of an investor or Syndicate

	would give that investor or Syndicate the right to purchase such number of shares as set out in the warrant at a price agreed and set out in the Warrant Instrument. The Warrant Instrument should make clear whether the shares conferred under the warrant will dilute or not on the issue of further shares. Tax, legal and regulatory advice should be taken in relation to any such arrangement.
Warranties	A contractual representation or assurance (in the context of an investment) as to the condition of the company. It is usual practice for warranties to be provided by both the company and the members of the management team. If the warranty turns out to be wrong, the investors have a claim for damages against the warrantors.
Warranty Limitations	Limitations on the liability of a warrantor (usually the founders and the company) under the warranties through certain financial or time constraints or through the use of disclosures via a **Disclosure Letter**.
Warranty Protection	This is the protection given to the investors as the Company and the warrantors are providing warranties in relation to the Company, which lowers the investors' risk.
Weighted Average (used in relation to Anti-Dilution Provisions)	This term is used when referring to anti-dilution provisions and how the anti-dilution is to be structured. Under this method of calculating anti-dilution provisions the number of shares issued at the lower price are taken into account in the re-pricing of the shares issued to the investors. This results in a conversion price adjustment.
Winding Up	The process of selling all of the assets of a Company, paying off creditors, distributing any remaining assets to those who are entitled and dissolving the business.
Working Capital	Capital available to finance the ordinary trading activities of a company. Working capital requirements should be monitored carefully and a good working capital provision is essential for growth.
Yield	The annual rate of return on an investment (including any interest and dividends) calculated as a percentage.