



## **Worksheet 080 - What to know about insolvency with Lee Crosthwaite**

Insolvency is a dirty word for anyone in business.

But there is always a risk that you will have to wind-up your business because of a lack of funds.

Today, we were joined by [Lee Crosthwaite](#) a partner at [Worrells Solvency and Forensic Accountants](#).

He has been involved in administering a number of high profile bankruptcies in Australia.

**We discuss how business owners can turn their business around and avoid insolvency.**

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There are a lot of mistakes business owners can make that could lead to insolvency.

The biggest is, of course, financial mismanagement.

Not having proper budgets or up to date financial information is a very common error that Lee encounters.

Not having up to date financial information means the owner may not know things are going wrong until it's too late.

Having enough capital on hand is also critical.

**Many people start a business without enough capital and are never able to catch up.**



**Are all of your financial statements up to date? What information do you need to better understand?**

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If you're struggling, you need help

If you do start to struggle you need to deal with it immediately.

Keep your bank, your employees and other creditors informed throughout the process.

The earlier you start trying to fix the problem the more options you will have.

If you get to the point in your business where you are starting to have trouble seek advice.

Whether it's a lawyer or an accountant do it.

Don't put your head in the sand.

**When you're first starting your business make sure you have an exit strategy.**

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**If you're having trouble in your business detail the issue below and decide who you need to inform about the problems**

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## Learn more by ordering the book

Whether you want to have a large company or a small lifestyle business, you must pay attention to the legal aspects right from the start.

The Business Legal Lifecycle is a handbook for you to use in your business on a regular basis.

The key areas that Jeremy Streten covers in the Business Legal Lifecycle are:

**How to successfully set up your business**

**Why and when you need to pay attention to the legal aspects of your business**

**Who you should consult with along your business journey**



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