This chapter is a continuation of the previous one, and further discusses the essential features of a legally binding, or valid, contract. It puts particular importance on the meaning of ‘consideration’, which is what makes a promise or agreement a ‘bargain’ and, therefore, enforceable. The courts are not bound to, and will not, consider a ‘bare promise’. Parties to a contract must intend it to be legally binding, and not just be social or domestic agreement, and such contracts must contain certain terms that identify the rights and obligations of both parties. Without an understanding of these crucial elements, agreements may be concluded but they will not create an enforceable contract. Also, although a contract is enforceable by those parties to it, this right can be extended to third parties if the contract has been made for the benefit of these parties.