

### **BUYING A BUSINESS ON THE SUNSHINE COAST OR QUEENSLAND?**

Buying a business is a large investment of your hard earned money and it is important to obtain expert legal advice.

### **WHAT NEEDS TO BE CONSIDERED IN THE CONTRACT**

Each business is different and requires individual consideration to ensure the terms of the contract reflect the Buyer's wishes.

The following terms in a contract are of vital importance:

- Identity of the Seller and the Buyer – these can not be changed after the contract is signed
- The Purchase Price – Does it include stock?
- Plant and Equipment – What plant and equipment and leasing arrangements is the Buyer actually purchasing?
- Finance – Does the Buyer require finance and what happens if the finance date passes?
- Leasing Requirements – Will there be an assignment of the lease or a grant of new lease? And who is responsible for the costs?
- Restriction on Seller Competition – Will the Seller be able to operate or be employed in another similar business, is the restriction valid?
- Seller Tuition – Does the Buyer require the Seller to provide tuition before and/or after settlement.
- Employees – is the Buyer employing all or some of the existing employees, what allowances for the employee's lawful entitlements are required, and who has to pay?
- GST – Does GST affect the purchase?
- Due Diligence – Does the Buyer require time to conduct investigations and enquiries of any matter relating to the business? Eg. Financial Position, Local Government Requirements etc.

After a contract is signed it is not possible, without the agreement of the Seller, to change any terms of the contract. Whilst most contracts are prepared using pre-printed standard forms it does not mean that you will agree to the obligations contained in the some 10 pages of standard terms and conditions.

### **TRANSFER OF BUSINESS ASSETS**

When a business is sold there are a number of assets that must be transferred. Common transfers include:

- Business name
- Leases
- Motor Vehicles
- Local Government Licences
- Plant and Equipment

If all of the business assets are not transferred there can be GST issues.

### **WHAT TO DO WHEN BUYING A BUSINESS?**

When you are looking at buying a business, Ferguson Cannon can provide you with the right advice for the preparation, negotiation and settlement of the contract. We will make sure that the process is explained in plain English and completed with a minimum of fuss. Getting the right advice early in the process will save you time, effort and costs.

Please contact Tony Pattinson to discuss all your business contract questions.