

### Buying a business? Some matters to consider...

It is prudent to conduct proper due diligence of a business before entering into a contract to purchase. Our [business lawyers in Brisbane](#) can help you with any legal matter pertaining to new businesses. Here are some matters to consider:

- 1. Assets:** What are the assets of the business and has anything been excluded or overlooked? Also, does the seller own all of the assets, for example the intellectual property in a logo may be owned by a third party and licensed to the seller. Lastly, are any of the assets encumbered requiring a release of security at settlement?
- 2. Purchase Price:** How has the purchase price been apportioned? Talk to your accountant about the pros and cons of breaking down the purchase price between items such as goodwill and assets.
- 3. Licences:** What licences will you need to operate the business? How will these be obtained? for example by transfer or upon new application? SmartLicence, a service provided by the Department of State Development Qld is a very useful source of business licensing information.
- 4. Employees:** What, if any, employees of the existing business will you wish to offer

employment? Amongst other matters, you will need to consider what awards/instruments apply to the employees, the terms of any existing employment contracts and what are the accrued employee entitlements.

5. **Lease:** If a lease is being assigned to you, you will need to ensure you are happy with the terms of the lease. A review of the lease terms by a solicitor is recommended. You will also need to ensure that the landlord and any mortgagee, consent to the assignment of lease.

6. **Supply Contracts:** Are there any material supply contracts you need transferred to you?

7. **Restraint of Trade:** Has the seller agreed to being restrained from operating a similar business for a period of time and within a certain distance from the business you are purchasing? The restraint should be reasonable.

8. **Debtors and Creditors:** A buyer needs to understand the financial commitments and liabilities of the business, including treatment of debtors and creditors.

***This article is intended for information purposes only and should not be regarded as legal advice. Specific legal advice should be obtained before taking action on any issue dealt with in this publication***

Contact Wade Legal if you need a business lawyer to help you make the right start to a new business from a legal point of view.