

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.

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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.