Buying a business in WA?

Work through this checklist with your accountant and lawyer **before** you sign — including before signing an offer “subject to due diligence”. Tick what’s done; anything unticked is an open risk.

1. The deal and the assets

- [ ] Asset sale or share sale confirmed — and my accountant has advised which suits me
- [ ] Full list of included assets: equipment, stock, goodwill, IP, business name, phone numbers, website, social accounts, client records
- [ ] Excluded assets identified — nothing critical is being kept by the seller
- [ ] PPSR search done: no equipment under finance or subject to security interests
- [ ] Business name, licences and domain names can actually be transferred to me

2. The lease and premises

- [ ] Years remaining on the lease term, and options to renew, confirmed in writing
- [ ] Landlord's consent process for assignment started (it takes time)
- [ ] What the landlord will require from me: personal guarantee, bank guarantee, bond
- [ ] True occupancy cost known: rent + outgoings + any percentage rent; next rent review date
- [ ] Checked whether it is a retail shop lease under WA retail tenancy legislation
- [ ] Make-good obligations at end of lease understood and costed

3. The financials

- [ ] Financial statements and tax returns for the last 2–3 years obtained (not just a sale summary)
- [ ] BAS lodgements cross-checked against reported turnover
- [ ] Owner's unpaid hours / family wages / personal expenses adjusted out of the profit figure
- [ ] Customer concentration checked — will the top customers stay after the seller leaves?
- [ ] Seasonality understood — figures viewed across a full year, not the best quarter

4. Staff

- [ ] Employee list with awards/agreements, tenure and real total cost
- [ ] Accrued annual leave and long service leave quantified — and adjusted in the price
- [ ] Key staff intentions checked — will they stay? Is the business really the seller's skills?
- [ ] Contractor arrangements reviewed — any disguised employment relationships?

5. Licences, approvals and compliance

- [ ] Every licence the business needs listed (liquor, food, health, trade, franchise)
- [ ] For each licence: transfers with the business / must be reapplied for / attaches to a person
- [ ] Local government approvals for current use, signage, outdoor seating confirmed
- [ ] Franchise: franchisor consent, training, fees — franchise documents reviewed with the contract

6. The contract

- [ ] Contract is subject to: finance, lease assignment, licence transfers, due diligence — with workable dates
- [ ] Restraint of trade on the seller: wide enough to protect me, drafted to be enforceable
- [ ] Seller warranties reviewed — and remedies if a promise turns out false
- [ ] Stocktake method and price adjustments (stock, entitlements) agreed
- [ ] Handover period: seller must introduce customers/suppliers and train me
- [ ] Deposit terms: exactly when it stops being refundable
- [ ] LAWYER REVIEW BEFORE SIGNING ANYTHING — including a 'subject to due diligence' offer

7. The street-level checks

- [ ] Asked: why is the seller really selling?
- [ ] Sat in / watched the business at different times and days
- [ ] Talked to the landlord, neighbouring businesses, key suppliers where possible
- [ ] Checked for coming changes: competitors, roadworks, redevelopment, rent reviews
- [ ] Equipment inspected — age, condition, replacement cost

Next step: bring the contract, the lease and this checklist to a consultation. We review business purchases with a written fixed-fee quote before any work starts — in English or Vietnamese. Call (08) 9342 0837 or visit **legalcareaustralia.com.au/business-commercial/**