



BUSINESS REPORT CHECKLIST

Finance & Property
 Research Pty Ltd
 www.property-buyers-research.com

<u>ITEM</u>	<u>REMARKS / NOTES</u>
Name of Business	
Address	
Agents contact numbers	
Vendors contact numbers	
Valuers contact details	
Industry research web sites	
Industry benchmarks	Download from web site mentioned above or obtain from us.
Current Labour	Has family labour been properly costed?
Future Labour	What staff will remain?
Management	Can the level of management be maintained or improved?
Management - Relief	Who can manage the business when proposed management is absent?
Statutory Requirements	Are all licences & certificates current?
Future Statutory Requirements	Likely changes & will the premises/business comply
Protection	Will regulatory protection or quotas etc remain in the foreseeable future?
Supply agreements	Are agency agreements with major suppliers likely to continue?
Obsolescence	Are technology advances or substitute materials/services likely to occur in the near future & what action can be taken to access these?
Entry barriers	Are franchise & trade barriers protected? Vendor's restraint of trade agreement checked. Can someone duplicate the business?
Location	Future development & competition possibility – Traffic access both ways
Access	Current & future traffic access. Road changes or traffic islands
Competitive advantages	What are they & what is vulnerable?
Adjoining Development	Are any proposed, & the impact, good or bad?
Future expansion	Will the premises allow?
Future sub letting	Can any space be sublet in the meantime & at what rate?
Exit strategy barriers	Are there any dangers re resale?
Past Trading Figures	Current standard of management. Has it peaked? How can the figures be verified? Will the Vendors Accountant do so? Current stock levels. High or low. What level is agreed to at settlement? Cost of goods sold ratios checked Part years – do any monthly averages used include major trading periods such as festivals etc & do they exclude low trading months in the missing period.
	Obtain depreciation schedules. What written off items are not listed on the inventory? Any new items not on the inventory. Add Backs. Are these reasonable.
Leased Items	Obtain details & arrangements to continue.
Supplier Company items	What equipment or showcases are owned by suppliers Unusual items of expenditure – recent or upcoming
Inventory	Check at inspection & verify at settlement. Photograph major plant items. Obtain identification details for bill of sale, lease or other security intended or in place.
Major expenditure	What capital items or repairs are required?
Maintenance contracts	What are the arrangements?
Sub Contractors	Details of continuance under new ownership
Staff Entitlements	Have your Accountant check purchaser's obligations & include all on-costs in projections.
Assumptions for Feasibility Study	Intended holding period & settlement date
	Equity contribution
	Borrowing Interest rate, and Credit balance interest rate
	Inflation projection used
	Income Tax Rate
	Capital gain Tax rate
GST in feasibility study	Because GST is not a tax on business and the net result should be GST neutral, GST has been ignored. This is not to say that GST is not charged and input credits received, but that the net impact of GST on profitability would be negligible for feasibility purposes in most cases. Confirm with your Accountant.