

### Hints for Buying an Established Business: Assets

- Get to know what you are buying. If there is an asset list make certain that you check each item off. Check the depreciation schedule for the equipment, fixtures and fittings, etc.
- What is the book value, the market value and the replacement value of the fixed assets?
- Check that the equipment is in good repair - is it the equipment you need, or is it in danger of becoming obsolete?
- Can the equipment be sold easily?
- Is any equipment leased? If so check profit and loss statement, expense items and compare with lease company charges.
- Consult with various specialists familiar with the valuation of:
  - Real estate (Australian Institute of Valuers and Land Administrators).
  - Plant, equipment, fixtures and fittings (equipment dealers and auctioneers).
- Check the business's credit rating with suppliers.
- Check that cash flow is sufficient to pay your debts and provide a good return on your investment.

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