



## Management Rights Business Sale Checklist

### **1. Body Corporate Caretaking & Letting Agreements**

Ensure you have a copy on-site of both agreements together with “variations” and “assignment” deeds.

Confirm actual term length and “CPI” Increase/Anniversary Date.

Confirm the potential application of the 3:2 Transfer Fee by the Body Corporate with your solicitor.

### **2. Ensure Financial Records are up-to-date**

Ensure that the business MYOB/Computer file is up-to-date.

Review “Owners Outlays” and other expense accounts to exclude any payments not relevant to the management rights business.

### **3. Obtain current set of “Sales” Figures**

Contact a specialist accountant to prepare current Sales Figures for the management rights business.

Align Sales Figures date range with the date specified at clause K of the Management Rights Business Contract, if possible.

### **4. Prepare detailed Plant & Equipment Listing**

List all Plant & Equipment to be sold with the business (including a detailed description).

If software is not owned, do not put it on the Plant and Equipment schedule.

If an asset is under finance [E.g. PABX], do not put it on the schedule – Consider paying out the lease. (i.e. Provide unencumbered).

If an asset is owned by the Body Corporate, do not put it on the schedule.



### **5. Review Ownership – Website and Domain Name or Business Name**

Confirm ownership of Web-site (if relevant) and Email addresses.

Confirm Business Name ownership [More relevant to Holiday/Student Accommodation].

### **6. Review External Agreements**

Confirm agreements/contracts with outside parties (Real Estate.com, Wholesalers, Room Allocation).

Preferable not to execute Agreements for long term – since purchaser may not wish to proceed with these.

### **7. Ensure all Form 20A Agreements are executed and valid**

Confirm all Form 20A agreements are on hand and signed by both parties. (i.e. the agent & owner).

Confirm how many Agreements have an “Assignment Clause”.

### **8. Obtain recent Trust Account Audit Report**

Have most recent audit report available for purchaser’s accountant to review.

Ensure your Licenses are displayed at Reception.

### **9. Organise Office/Tidy-up Filing**

Ensure Office/Business records present well and all filing is completed.

Should you require any assistance at any stage of the sale process, please do not hesitate in contracting our office.