

## BUYING A PHARMACY

**Buying a pharmacy is not a decision to be made lightly and there are many issues to be considered before and during the process, including but not limited to the following -**

- Think carefully about the decision you are making – why are you buying, what sort of pharmacy do you want to be involved in, where is it located, is it the lifestyle you want, can you afford it.
- Consider why the exiting pharmacist is selling. What is the time frame involved for the sale?
- Obtain as much information as you can before making an offer. Any offer should be subject to a due diligence being performed, finance being approved and the receipt of Pharmacy Council approval.
- A due diligence of the business is essential, and should include a thorough review of the financial aspects of the business, operational matters, human resources, assets, leases, equipment, future potential for the business and threats/risks to the business.
- Obtain an independent valuation of the pharmacy. This will also be required by your financier so ensure you use an approved valuer. **(Refer to our factsheet on Pharmacy Valuations).**
- Obtain specialist advice regarding the most appropriate structure in which to purchase the pharmacy, having regard to asset protection, estate planning, stamp duty and taxation issues.
- Seek professional assistance with regard to financing your acquisition. Most major financiers have specific policies regarding pharmacy finance, including how much they will lend against the pharmacy itself, the term of the loan, interest only periods and the fees & interest rates charged. Detailed knowledge of financiers' guidelines and the ability to negotiate can save you many thousands of dollars in fees & interest.
- Prepare detailed cash flows – can you afford to service the loan?
- Ensure you have all the necessary business and pharmacy registrations in place.
- Stamp duty is a significant cost when purchasing a pharmacy, however with careful structuring & timing of the purchase it may be possible to reduce this cost.

**It is essential to obtain expert legal and taxation advice from specialists experienced in this process!**

At Bentley Brett & Vincent we have acted for many purchasers over the years and have developed a comprehensive checklist which covers off on the many steps required in the buy/sell process, including ensuring all Pharmacy Council and Medicare, requirements are met. We are able to facilitate the buying process on your behalf and provide you with experienced professional advice with regard to all of the above matters.

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