



## Commercial and Company Law

When contemplating business activity, it is particularly important that you have the advice of a solicitor experienced in this area of law.

Furthermore, our solicitors have networks with experts in particular aspects of company and commercial law, accounting matters and requirements of taxation law.

Company and commercial law is not the area of every solicitor. Scammell & Co. has solicitors who have worked in company and commercial law for decades.

### **What are some of the traps people should look for when buying or selling businesses?**

The traps are many.

Just some you should be aware of include:

- Unnecessary tax liabilities created.
- Inappropriate lease terms which can make it difficult to resell the business.
- When buying a business – possibly more so in the case of smaller family businesses - checking that the wages costs shown for the business are not understated. For example, sometimes in a family business, run by a husband and wife, the wife may be attending each day, and putting in a full day, but no wages are paid and thus the cost of that person's input is not showing as a cost in the Profit & Loss Statement.
- Danger of being sued through inadvertently failing to comply with regulations.
- Dangers arising from purchasing a non-performing business because of a failure to make adequate investigation.

### **When running a small business, extending credit to customers can present problems...**

For example, if I extend no credit to customers I can lose orders to those competitors who do extend credit. What steps could I take regarding the following for example points?

- Preventing bad debts.
- Assessing a reasonable amount of credit.
- Obtaining director's guarantees from customers.
- Arranging a contract to retain ownership of the goods until payment is received in full.

**A.** There are many different answers, according to the nature of the business.

Solicitors at Scammell & Co. have advised a wide range of businesses on the abovementioned issues and more.

The short answer is contact Scammell & Co. to arrange a discussion. The first half hour of your first meeting will be free, so you can get some specific advice at no cost to you.



**What kind of business structure is best when setting up a new business or changing an existing business?**

The type of business structure suitable to a particular situation will depend on a number of factors relevant to each set of circumstances.

For example, in certain situations a partnership may be preferable to a company, or vice versa.

Often tax and risk considerations apply when choosing which business structure is suitable for you.

**How can business owners protect their business assets as well as their personal assets?**

The type of business structure you put in place will play a crucial role in protecting your business assets as well as putting your personal assets beyond the reach of creditors.

There cannot be absolute protection of assets in every situation but there are measures that can be taken to minimize exposure of assets to creditors' claims.

**Contact Us Today**

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