

# Statement by a vendor of a small business

***Estate Agents Act 1980 Section 52***

**Form 2, Regulation 8, Estate Agents (General, Accounts and Audit) Regulations 2018**

## Introduction

For the purposes of section 52 of the *Estate Agents Act 1980*, a small business is a business in which the goodwill, plant, equipment and fittings being sold have a total price of \$450 000 or less. In accordance with section 52(8), the reference to price in this paragraph does not include an amount representing the value of a liquor licence or permit under the *Liquor Control Reform Act 1998*.

This Statement contains 6 sections:

Section A – Important information for Vendor

Section B – Important information for Purchaser

Section C – Business information

Section D – Vendor's Business Operating Report

Section E – Vendor's declaration

Section F – Acknowledgement of Receipt by the Purchaser

In this Statement a person who is seeking to sell a small business is referred to as a 'vendor' and a person who is seeking to buy a small business is referred to as a 'purchaser'.

## Section A—Important information for vendor

1. A vendor must sign this Statement.
2. A vendor or their estate agent must give the purchaser or their representative a completed and signed copy of this Statement before the purchaser or their representative:
  1. signs the contract OR
  2. pays the deposit

with respect to the sale of a small business.

3. The financial and accounting information in the Business Operating Report in Section D must:
  1. cover the trading of the business for the current accounting period (year to date figures); and
  2. cover the trading of the business for the previous two accounting periods, unless the vendor has not owned the business for that long; and
  3. include a statement by a practising accountant that the information is in accordance with the vendor's books of account.

Item 2 in the Business Operating Report in Section D lists the people who are practising accountants for the purpose of this Statement.

4. An accounting period is a financial year; or a continuous period of 12 months; or if a particular accounting period was changed for book-keeping purposes that period may be treated as an accounting period.
5. A part year is the period between the end of accounting period B and the end of the most recent quarter before this statement was signed. If this statement was signed in the first quarter of the new financial year (or equivalent period as set out at 4 above), the part year accounting period column in the Business Operating Report in Section D is not applicable.
6. A single asterisk, (\*), means strike out the item if it is not applicable.

### **Warning to the Vendor**

If this Statement is incomplete or inaccurate, the purchaser may avoid the contract provided they do so within three months of signing the contract and have not already taken possession of the business. If a purchaser avoids a contract on these grounds, the vendor must repay any money paid by the purchaser under the contract. A vendor who fails to give a purchaser or their representative this Statement or gives a Statement that is incomplete, is liable for a fine of up to 10 penalty units.

## Section B—Important information for purchaser

1. Section 52 of the *Estate Agents Act 1980* requires that a purchaser of a small business or their representative be given a completed and signed copy of this Statement by the vendor or their estate agent. The purpose of this Statement is to notify the purchaser of certain particulars concerning the trading and financial position of the business to be acquired.
2. The information contained in this Statement does not replace due diligence undertaken by the purchaser. It provides key financial information which will assist the purchaser to identify those matters where further information and documentation is required. At a minimum, the purchaser should ask the vendor to provide copies of:
  1. the Balance Sheet and the Profit and Loss Statement for the business for the last two accounting periods
  2. the most recent Tax Assessment by the Australian Taxation Office for the business, and
  3. any quarterly Business Activity Statements (BAS) prepared for the business since the end of the last financial year.
3. The purchaser should consider seeking expert advice to assess and interpret the information contained in this Statement and other information provided by a vendor with respect to the business.
4. The purchaser may also consider:
  1. arranging a trial period before the settlement date during which they have the right to attend the business to observe its operation. Such a period provides an opportunity for the purchaser to gain experience with the running of the business, with the vendor's assistance. Whether or not a trial period is appropriate will depend upon the nature of the business, and
  2. appointing an accredited stocktaker to assess the stock at hand for the business.
5. The purchaser should ensure that the contract for the sale of the business has warranties with respect to assets, stock and the business accounts.
6. If the vendor purchased the business from a previous owner who only operated the business for a short time, the purchaser should ask the vendor to also provide a copy of the Statement by a Vendor of a Small Business with respect to the previous sale of the business.
7. Where the sale of the business is to include the sale of land, a disclosure statement with respect to the land will be given to the purchaser or their representative in accordance with section 32 of the *Sale of Land Act 1962*.
8. Where the sale of business is to include an assignment of lease of retail premises as defined in the *Retail Leases Act 2003*, the vendor will give to the purchaser a disclosure statement in accordance with section 61(5A) of that Act.

### Notice to the Purchaser

The purchaser may avoid the contract if information in this statement is inaccurate or incomplete and is entitled to a full refund of any moneys they have paid under the contract

Section C—Business information

Vendor

Name	RADHE SHAMA PTY. LTD.
Address Including postcode.	6 ATHLETIC CCT, CLYDE, 3978, VIC, AUSTRALIA
Telephone number	0430 374 781
Email	SANDYBEHAL1@GMAIL.COM

Vendor’s agent

Name	
Address Including postcode.	
Telephone number	
Email	
Fax	
DX number	

Business details

Name	RADHE SHAMA PTY. LTD
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Street address Including postcode. PO Boxes cannot be accepted.	2/11 HIGH STREET HASTINGS 3915					
Postal address Including postcode.	6 ATHLETIC CCT, CLYDE, 3978, VIC, AUSTRALIA					
Telephone number	0430 374 781					
Email	SANDYBEHAL1@GMAIL.COM					
Fax						
DX number						
Description of the business	TAKEAWAY AND RETAILING					
The vendor has carried on business for a period of:	Years (if applicable)	0	Months (if applicable)	7	Weeks (if applicable)	3
commencing on dd/mm/yyyy	01 <sup>st</sup> July 2024					
The vendor has carried on business at the present location for a period of:	Years (if applicable)	0	Months (if applicable)	7	Weeks (if applicable)	3
commencing on dd/mm/yyyy	01 <sup>st</sup> July 2024					

The business is conducted from premises that are owned / leased (select one) by the vendor.

If the vendor is the owner of the premises in which the business is being conducted, the premises are / are not (select one) being sold with the business.

The normal trading hours of the business are:

Monday to Friday:	11am to 8.30pm Mon, Wed, Thurs
	4pm to 8pm Tues
	11am to 9pm Fri
Saturday:	11 am to 8.30 pm
Sunday:	11 am to 8pm

Members of the vendor's family or other persons worked / did not work (select one) in the business and were / were not (select one) paid wages.

Payments made to family or other associated persons have been included in Item 7 in the Business Operating Report in Section D.

Section D—Vendor’s Business Operating Report

The figures in this Statement relate to the business being sold and are prepared on an accrual / cash (select one) accounting basis.

Note: Accrual accounting is the method whereby revenue and expenses are recorded in the period in which the entitlement to income and costs are incurred, even though they may not have been received or paid.

Cash accounting means that revenue and expenses are recorded in the period in which the money was receipted and paid.

Business operating report

	Accounting period A	Accounting period B	(*)Part year
(The figures for the most recent period should be in column B)	From:  To:	From: 01/07/2024  To: 20/03/2025	(*)From:  (*)To:
Number of weeks of operation		36	
<b>1. Total gross income of business</b>  [Include in the calculation of this amount income from all sources such as goods and services provided, commission, etc.]	\$	\$366,496.00	(*)\$
Average per week	\$	\$10,181.00	(*)\$
<b>2. Cost of goods sold</b>			
<b>a)</b> Opening stock		0	
<b>b)</b> Plus purchases in period		\$235,963.00	
<b>c)</b> Less closing stock		0	
Total cost of goods	\$	\$235,963.00	
<b>3. Gross profit for the business</b>  [Total Gross Income of Business (Item 1) less the cost of goods/services provided]	\$	\$130,532.00	
Gross Profit (Item 3) as a% of Total Gross Income of Business (Item 1)	%	35.62%	
<b>4. Total operating expenses</b>			
<b>a)</b> Accounting charges		\$2,127.00	

<b>b)</b> Advertising		
<b>c)</b> Bad debts written off		
<b>d)</b> Bank and transaction charges (excluding interest)		\$41.00
<b>e)</b> Cartage and freight		
<b>f)</b> Cleaning, laundry, protective clothing		\$5,786.00
<b>g)</b> Depreciation and amortisation		
<b>h)</b> Electricity, fuel, gas		\$13,505.00
<b>i)</b> Equipment rental/hire (not hire purchase)		
<b>j)</b> Insurances (excluding motor vehicle)		\$1,823.00
<b>k)</b> Interest		
<b>l)</b> Licences, registration, trade subscriptions		
<b>m)</b> Motor vehicle running costs for business purposes i.e. petrol, maintenance, insurance, registration (excluding depreciation)		\$6,959.00
<b>n)</b> Packaging and wrappings		\$6,009.00
<b>o)</b> Postage, printing, stationery		\$2,810.00
<b>p)</b> Rates and outgoings		
<b>q)</b> Rent of business premises		\$14,427.00
<b>r)</b> Repairs and maintenance to business premises, plant, equipment, chattels		\$5,719.00
<b>s)</b> Staff amenities		\$3,131.00
<b>t)</b> Superannuation payments for benefit of employees		\$4,184.00
<b>u)</b> Telephone and Internet		\$1,161.00



<b>v)</b> Travel and accommodation		\$836.00
<b>w)</b> Wages paid to employees (excluding vendor/associated persons)		\$38,249.00
<b>x)</b> Workcover premiums and other wage costs and taxes		
<b>y)</b> Other sundry business expenses (itemise)		Rubbish: \$1,158.00 Tools: \$2,208.23 Water expenses: \$308.45 Office Supplies: \$4,645.10 Consulting Fees: \$1,550.00 IT Expenses: \$234.00 Filing Fees: \$322.00
<b>z)</b> Other expenses unique to the business		
Total operating expenses directly related to the business	\$	\$117,152.00
<b>5. Net profit for the business</b> (Item 3 less Item 4)	\$	\$13,381.00
<b>6. Personal expenses and outgoings of the present vendor</b> (these expenses should not be listed in Item 4)	\$	
<b>a)</b> Depreciation and amortisation		
<b>b)</b> Financing and interest costs		
<b>c)</b> Vendor's personal expenses		
<b>d)</b> Vendor's other sundry expenses		
<b>e)</b> Wages paid to associated persons		
<b>f)</b> Superannuation paid to associated persons		
Add others if applicable		

<b>7. Adjusted net profit to owners of the business</b>  (Item 5 less Item 6)	\$	\$13,381.00
<b>8. Further considerations – asset quality</b>  1. Business debts <div>Trade debtors (owed to business) at end of accounting period B</div> <div>Less provision for doubtful debts</div> <div>NET DEBTORS</div> 2. Contingent liabilities  Itemise other matters that could impact upon the owner's equity in the business as at the proposed settlement date. This includes any liability that runs with the business, for example, an adverse planning or environment ruling affecting the operating precinct of the business or a taxation dispute or other litigation concerning the business if it is a corporation.	\$	

Statement by practising accountant

I, <i>(print practising accountant's name)</i>	KIRANDEEP SIDHU
of, <i>(print practising accountant's address)</i>	2/33 Hamersley Drive Clyde North VIC 3978
Telephone number	0426 873 600

being a (tick the relevant box)

registered company auditor with the Australian Securities and Investments Commission, or	<input type="checkbox"/>
Member of CPA Australia or the Institute of Chartered Accountants in Australia, or	<input type="checkbox"/>
Member or Fellow of either the Institute of Public Accountants or the Association of Taxation and Management Accountants, or	<input checked="" type="checkbox"/>
Fellow of the National Tax & Accountants' Association Limited	<input type="checkbox"/>

have compared the accounting and financial information set out in the Business Operating Report with the books of account of the vendor and I advise it is in accordance with the books of account of the vendor, and make additional comments—

Signature of practising accountant

Date  
dd/mm/yyyy

DocuSigned by: <i>Kirandeep Sidhu</i> D1E33CB56E1542B...
21 <sup>st</sup> March 2025

Section E—Vendor’s declaration

The vendor declares that:

- a) Since the end of the last accounting period in column B of the Business Operation Report –
  - i) Circumstances have arisen or practices have been adopted that \*have / \*have not affected the gross profit of the business; and
  - ii) no circumstances adversely affecting, or likely to adversely affect, the conduct of the business have arisen, except the following


- b) the information in this Statement (including the Business Operating Report) is accurate and complete.

Signature of vendor

Date  
dd/mm/yyyy

DocuSigned by: <i>[Signature]</i> 018EB00056DA42F...
22 March 2025

Section F—Acknowledgement of receipt by purchaser

The purchaser acknowledges receipt of this completed Statement by the vendor of a small business.

I, (print purchaser’s name)

of, (print purchaser’s address)


Signature of purchaser

Date  
dd/mm/yyyy


## Certificate Of Completion

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Kirandeep Sidhu

Kiran@taxxed.com.au

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Sandeep Kumar

sandybehal1@gmail.com

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
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Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	Mar 21, 2025   11:28
Certified Delivered	Security Checked	Mar 21, 2025   11:57
Signing Complete	Security Checked	Mar 22, 2025   00:07

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	Mar 22, 2025   00:07
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		