truelegal solicitors

law for business buyers, sellers and movers

OUR GUIDE TO BUYING A SMALL BUSINESS

For first-time business buyers who want to find the right small business, avoid costly mistakes and secure the best deal.

Find out:

- Whether you have what it takes to become an entrepreneur
- How to find the right business
- What to do when you find the right business
- Whether you should buy assets or shares
- If the business is really worth the asking price
- How to seal the deal in the quickest possible time
- And much, much more...

"The critical ingredient is getting off your butt and doing something. It's as simple as that. A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer, not a dreamer."

A Truelegal Guide, written by Martin Truman, specialist business transfer solicitor with over 20 years' experience of acting for business buyers

TRUELEGAL GUIDE TO BUYING A BUSINESS

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Becoming a business owner: do you have the passion?

If you feel no passion for your career, are frustrated with working long hours for little reward or, perhaps, have a fantastic idea that you think would set the world alight, the prospect of buying your own business and being your own boss can seem an attractive one. Whatever the catalyst for buying a business, once the seed of an idea takes hold, it generally grows in a rampant fashion until you simply can't ignore it. I know from experience.

After qualifying as a lawyer in 1995 and following the traditional path of working in big city law firms, I was tired of the life-sapping 14 hour a day culture and frustrated at the bureaucracy which interfered with providing clients with the level of service that I felt they deserved. I felt I could do things better and so I finally took the plunge and Truelegal was born in 2000.

Which is best: buying an existing business or starting from scratch?

You could, of course, do what I did and set up your own business from scratch, but the failure rate for start-ups is high and that's a scary prospect for many. Buying an existing business and making it your own, on the other hand, can make the leap from employee to entrepreneur less daunting, particularly if there is already a proven business model and a healthy balance sheet in place. Nevertheless, buying a business is rarely straightforward: there are plenty of hurdles to trip up the ignorant or unwary.

I've had the pleasure of working with many entrepreneurs over the years, with varying degrees of ambition, financial resource and business acumen. No matter what their level of knowledge and experience, and how well prepared they think they are, there are always issues that threaten to scupper the deal at the last moment, or which mean that the business they buy isn't actually the business they thought they were buying.

I've written this guide with first-time business buyers in mind. It assumes no prior knowledge or experience of running a business and is written in plain English – no fancy jargon or legalese. Its objective is to give you the knowledge and confidence you need to take that leap into a very different future of exciting possibilities.

If you have passion and knowledge, anything is possible.

Don’t kid yourself: do you have what it takes to be an entrepreneur?

Not everyone has the necessary drive, determination, skills and resources to run their own business. A business failure may leave you in a significantly worse position than you are in now, both financially and emotionally. So, before you take the plunge, and to be certain you have what it takes, you first need to ask yourself some searching questions – and be prepared to give very honest answers.

How badly do you want it? If you think owning your own business will give you financial and time freedom, think again. It may do – eventually – but you can be sure that, in the meantime, you will work harder than you have ever worked before. Evenings, weekends and long holidays with the family? Forget it. In the early months and years you will likely be pumping in more time and effort than you ever did as an employee - and taking home very little to show for it.

How resilient are you? The downside of becoming your own boss is that the buck stops with you. Problems and challenges are inevitable. Are you a glass half full person or a glass half empty? If you want to own your own business you will need to be determined, resourceful and have an unswervingly positive attitude.

Do you have relevant skills? When you become a business owner, irrespective of any specialist skills that may be required, you will also become a marketer, a bookkeeper, an IT technician, a stock controller, a customer services advisor, a contracts manager, a call centre operator and a general multi-tasker. Okay, if you are buying a larger business, then you may be employing staff to do these things for you – but then you will need a good grasp of HR too. Of course, you always have the option of seeking help from professional advisors, but that costs money. So, if you don’t already possess any relevant skills or experience – and you can’t find the time, money or inclination to learn or pay others to do so – you may want to reconsider your plans. Above all, you need an ability to get on well with people from all walks of life and excellent communication skills.

Do you have the necessary resources?

One of the biggest causes of business failure that Truelegal see is inadequate or inappropriate finance. Do you have capital ready to invest; how much can you realistically commit given your current circumstances? Will you require finance in the form of a loan; will you be able to provide adequate security, often a personal guarantee or rent deposit? You will need to make sure you have enough funds available not only to purchase the business but also to ensure that the business has sufficient working capital to meet its day-to-day commitments; with sufficient money to meet your domestic commitments. If you are short of financial resources right at the beginning, things will only go from bad to worse.

Are you comfortable with risk?

All businesses involve a degree of risk, with some being more inherently risky than others. How much risk are you willing to take?

Many external risks can impact on your business which you are powerless to control. What if a competitor sets up business across the road from you? What if an advance in technology renders your service obsolete or out of touch? What if the economy takes a nosedive? Other risks, such as your willingness to let others buy from you on credit, will be within your control. However, the level to which you are prepared to tolerate these risks will have a significant impact on the success of your business.

Do you know what business you want to buy?

This may seem like an odd question but the reality is that there are many different possible options. As well as a general ambition for personal success, many entrepreneurs have more specific motivations for buying a business. These can include a desire to access particular markets, customer databases or supplier contracts, a need to access particular know-how or intellectual property rights (for example, branding or software) or, perhaps, a calculated decision to buy market share from a competing business.

Your motives will drive what exactly it is that you want to buy and also dictate whether an asset purchase or a sale purchase is the best way to achieve your goals.

Asset or share purchase – which is best?

If you buy a business from a sole trader or a partnership, there will be no shares to purchase, so you have no choice buy some or all of the assets. However, if you buy a private limited company or a limited liability partnership, you will need to understand the difference between an asset purchase and a purchase of shares and what the respective implications are for you – something few first-time business buyers understand.

What are assets?

Assets fall into three categories: tangible, intangible and current. Tangible assets are physical objects owned by a business, for example, buildings, fixtures and fittings, stock, vehicles and equipment. Intangible assets also belong to the company and include intellectual property (such as ownership of a trademark, design, software programme or invention) and goodwill. A current asset is cash and any other company asset that will be turning to cash within one year from the date shown in the heading of the company's balance sheet. This could include debts (money due from customers) and stock, as well as cash reserves.

Advantages of an asset only purchase

When you buy just the assets of a company, you do not buy ownership of that company but, rather, become the owner of a new business to which ownership of the assets is transferred. As a result, you will not have any liability for the debts of the business arising prior to your acquisition (these will remain the seller's liability). The seller, meanwhile, is left, in effect, with a shell; a company which is unable to trade and just owns a balance sheet. The shareholders who own the company will then wind the company down and distribute any profit remaining to the shareholders after tax and liabilities are paid off.

Disadvantages of an asset only purchase

The downside of an asset purchase for you is that you will require a legal transfer of ownership in respect of every one of those business assets. In many cases, this will involve (sometimes protracted) negotiations with an array of third parties, such as the landlord of a leased property, the owner of a software licence or the supplier of a hire purchase agreement. Equally the customer contracts may not automatically transfer and may require the consent of the customer. This is where the input of an specialist business solicitor can really come into its own.

What are shares?

A share is a token of ownership in a company and gives the shareholder a vote in how the company is run and, typically, a right to share in the company's profits. An individual shareholder can have just one or many shares. So, when you buy all of the shares in a company you buy ownership of that company. The company itself is unchanged.

Advantages of a share purchase to a buyer

When you purchase the shares of a company you become the new owner of that company and, as such, there is no requirement to transfer any of the assets, which remain in the ownership of the company: such as stock, intellectual property, customer contracts and lease. It is often seen as "business as usual" to the outside world and this continuity of business can be extremely valuable.

Disadvantages of a share purchase

The downside of a share purchase is that you also buy responsibility for the existing problems and historic liabilities of the company, for example, outstanding tax bills or employee disputes. Because of the increased risk involved in the purchase, it is critical to carry out a thorough investigation of the health of the company before you buy and to secure appropriate warranties (binding guarantees) and indemnities (promises to pay compensation against loss) from the seller. Again, the services of a specialist business solicitor are a critical part of this process.

Employees

When I speak to first-time business buyers I often hear the misapprehension that buying assets means it is easier not to inherit the existing employees. Legislation known as "TUPE" means that any employees in a business will automatically transfer with the assets, which levels the playing field from a share/asset perspective.

Can you choose whether to buy assets or shares?

Of course, whether or not it is possible for you to buy what you want will very much depend on what your seller is prepared to sell. For a deal to complete requires compromise from both parties. However, generally speaking, a seller will always prefer to sell shares to benefit from the very favourable tax treatment known as Entrepreneurs Relief (effectively a 10% tax rate). An asset sale for them will require a greater degree of tax planning and may incur a double whammy of taxation (Capital Gains Tax and Corporation Tax) which rarely makes financial sense; unless the price reflects this. Nevertheless, sellers have different motives for concluding a deal, too, and you may find it's you who is in the stronger bargaining position.

Complexity often provides opportunity

The summary above only scratches the surface and shares versus assets is probably one of the most misunderstood areas of buying small businesses.

My 20 years' experience in buying and selling businesses for clients has taught me a few truths above all others. Understanding where the true value of the business lies nearly always comes down to the getting to the bottom of the seller's motives for selling and applying some expert advice to ensuring the proper structuring of an offer.

Making the right offer, expressed with the right conditions and with payment terms agreed on a non-standard basis can often make thousands or tens of thousands of pounds of difference; and contribute to the ultimate success of the business for you.

And please, don't forget the impact of any associated property, more about this later in the guide.

Can you afford to buy a business?

Clearly, it's not the place of a solicitor to give detailed financial advice. However, for the sake of completeness, and because I see so many deals fall flat on their face due to poor financial planning, this section outlines some fundamental financial considerations for buying a business.

How much should you pay for a business?

So, you've decided you want to buy a hotel on the Cornish coast. But how much is it going to cost? Some rudimentary research into businesses advertised for sale in the industry and location you're interested in will give you a ball park figure as to roughly how much you can expect to pay. But, clearly, there will always be variations in terms of the size of a business, its profitability and the nature and complexity of its assets. All of these will have an impact on its value. As, of course, will the personal circumstances and motivations of the seller.

A question of value

There are many different methods touted for valuing a business but the reality is that valuation is more of an art than a science. Once you've completed some initial market research (and assuming you haven't been dissuaded by the likely cost), you'd do well to talk to reputable Business Transfer Agents (BTAs) in the locality or business sector you are searching.

Whilst BTAs predominantly act for those who are selling a business, a good BTA will understand the gains to be made from engaging with those looking to buy a business, not least the opportunities for some potential matchmaking. He or she may have information about a suitable business opportunity that has not yet been marketed. And BTAs, more than anyone, will also have a far greater understanding of realistic market values for businesses in different industries in their area that will go far beyond the standard profit to earnings ratio.

What level of investment can you afford?

The shape, size and make-up of your target business will necessarily be compromised by the level of investment you can afford. Time for a reality check. As soon as you've identified what type of business you'd like to buy, you need to take stock of your personal circumstances and, if necessary, explore options for borrowing. However, it's not just the purchase price you need to finance. It's crucial both for the future success of your business and your personal welfare that you also have sufficient reserves to fund both the day-today running of the operation (working capital) *and* your domestic commitments.

Unexpected expenses and below expected performance are common themes in the early stages of running a new business. If you don't have any contingency to call upon, you could find your business quickly taking a downward spiral. And if such circumstances are not stressful enough, chances are you'll be left in a situation where there is no cash left to draw down for your own living expenses either. Clearly this is not a good place to be.

Typical sources of finance for buying a business

So, assuming you're not sitting on a chunky inheritance left by Great Aunt Edith and that your savings are, at best, average, it's more than likely that you will require some form of additional finance for your business dreams to get off the ground. The two main sources of finance are loans and equity.

Loans

There are many different types of loan – or debt finance – from short-term overdrafts and credit cards to long-term business loans, commercial mortgages, grants and vendor loans (where the seller is persuaded to lend you the money you need by deferring the purchase price). In all cases, the important point to bear in mind is that banks and financiers will only offer their best products to those who can demonstrate that they are a good investment. In other words, and particularly if this is a new business venture, your business plan will need to show that you have conducted thorough market research and that you have a sound understanding of the business being acquired, the level of finance required to successfully run it and a set of realistic cash flow projections.

Remember that, as well as paying interest on loans, you will be required to provide some form of security. If a property is being acquired then this is likely to take the form of a legal charge over the property., as well as the business. Security may also be sought over other assets in the business. However, you may be required to provide a personal guarantee for the debt. In such cases, forming a limited company is the only way you can attempt to limit your personal liability for business debts, although lenders will still almost invariably insist on personal guarantees from shareholders in new limited companies with no track record. A good business solicitor will advise you of the best way to structure your business so as to minimise the personal risk to you.

Equity

Banks and other lenders are unlikely to agree to long-term loans without the provision of a minimum amount of equity, or personal investment. For small and medium business enterprises (SMEs), such equity is likely to come in the form of either personal savings or a cash investment in the business from a family member or friend. Depending on the size of the business and its potential for growth, there may also be the possibility of finding 'angel funding', investment provided by local or regional investors.

Whilst the stakes involved are clearly not the same as equity deals struck by the big players, plenty of SME entrepreneurs live to regret their choice of equity partner. Angel funders, in particular, will invariably expect a high return on their investment as well as a say in how the business is run via the appointment of a nominee director to the board. In practice, this means that your profit and your control of the business can be significantly compromised.

A word on franchises

If you have limited funds to invest and are reluctant to take on high levels of risk, you might consider the option of buying a franchise. Whilst you won't have total control of how your business is run, or the same earnings potential as owning your own business, a franchise will give you a degree of autonomy, the opportunity to grow your own business and the reassurance of working to a tried and tested business model backed up by a comprehensive business support network.

Franchises range in price from a few thousand pounds to several hundred thousand pounds and can be purchased in practically every industry and business sector. Nevertheless, you can't escape risk entirely: not all Franchise Agreements are drafted equally and money spent on asking a business solicitor to review the terms and conditions of your Franchise Agreement will be money well spent.

How to find a business to buy

When you've given plenty of thought to what type of business you want to buy, and what you can realistically afford, it's time to start looking. There will generally be two guiding factors: geographical location and whether you need a business with accommodation included or not.

If you're a serious buyer, a Business Transfer Agent or Broker will be invaluable

In this day and age, the internet will, of course, play a part in your search. The majority of sellers choose to use a Business Transfer Agent and they each have their own website with details of hundreds of businesses for sale in different locations. But it's also worth speaking to a few BTAs or Brokers in person: if you are well prepared and can demonstrate that you are a serious buyer who has considered exactly what you're looking for and already sourced the necessary financial backing to move forward, you will find that a good BTA or Broker will be invaluable in helping you in your search. He or she will undoubtedly have insider knowledge and may be able to bring to your attention a perfect business opportunity which may not yet have come to market. Or, indeed, suggest possibilities that you may have overlooked.

Over the years we have worked with almost 50 different business brokers. Some will have a very local coverage, others will be sector specialists. Please get in touch if you'd like our opinion on who may be best to speak to—we may also be able to make a personal introduction to make you stand out from the crowd.

We have prepared a separate guide on this topic. Email us for a copy or visit our website to download it.

What to do when you find the right business

You've found it! The perfect hotel perched on a clifftop in Cornwall with sea views to die for. Or pub in the Cotswolds. But is it really worth the asking price?

Assuming you're confident that the asking price is within your budget (if not, all bets may be off unless the Business Transfer Agent is confident of engineering a deal that is acceptable to both parties), your next step will be to investigate the business in question to satisfy yourself that it really is worth the asking price.

Clearly, business sellers do not want to waste their time with, or disclose sensitive information to, spurious buyers or, even worse, competitors who may just be snooping. For that reason, it's more than likely that the initial information you receive about a business that interests you will simply be a basic summary: a high level description of the nature of the business sometimes including a figure for turnover and profit.

The importance of a preliminary visit

Armed with the business particulars of one or more businesses that you are interested in, the next step is to visit in person. At this stage, provided it is the type of business that allows public access, it's better not to make an appointment with the seller but rather to see the businesses in the normal course of operation, as a 'fly on the wall'. Provided you have persuaded the BTA that you are a genuine prospective purchaser, they will give you the business address.

The purpose of this first visit will be to satisfy yourself as to the location of the business and to make a personal judgement on how well you think it is run. For example, in your target hotel in Cornwall, you will be scrutinising the customer service, how busy it is and what the ambience is, what the state and cleanliness of the internal décor is, how good the menu and the quality of the food is, how much parking there is for customers etc. Even better, and finances allowing, stay for a night or two yourself.

You can save a lot of wasted time with these initial visits. If the location really isn't all it's cracked up to be or the business has a bad vibe or seems poorly operated, you may decide to cross it off your list. Or, of course, if you have the necessary ambition and resource, you may see it as an opportunity to turn the business around into a more profitable model – provided, of course, you can get it for the right price.

Meeting the business seller for the first time

Assuming your initial unannounced visit was a positive one, the next stage will be for you to make an appointment through the BTA to visit the seller in person. This will give you the opportunity to ask questions that have arisen both from the particulars and your site visit (if a public site). Because of the sensitive nature of the information to be exchanged, you will be required to sign a Confidentiality Agreement beforehand in which you promise not to disclose or use the confidential information for any purpose other than assessing whether to purchase. In addition, it may be that the seller has not yet told staff that s/he intends to sell the business, so it is always good practice to be discreet while at the premises.

Questions to ask will include a bit more detail about the trading figures. Unless it is a new business, you would expect to be able to have access to the last 3 years' trading figures showing turnover, gross profit and net profit. You can find out who prepared the accounts and satisfy yourself as to book-keeping procedures. Is turnover increasing year on year, or decreasing and, if so, why?

You may also want to ask questions about any perceived risks, for example, whether the seller has any knowledge of planning applications in the locality which may affect the business and whether sales are made across a broad customer base or reliant on a few key customers. Does the seller have good relationships with important suppliers who s/he can introduce you to?

You can also ask how long the business has been on the market and whether or not there has been any other interest. A business that has been on the market for a long time or appears to have had little interest is likely to be overpriced. Listen out for any inconsistencies in answers to your questions and make notes of anything that will require further investigation.

Following the visit, you will most certainly have some questions that, in the first instance, you will want to discuss with the BTA. Assuming there is nothing of major concern and you are still interested in proceeding, the next phase in the process will be to carry out a more detailed investigation of the business, a process known as 'due diligence'.

Due diligence: is the business really worth buying

The due diligence process, whereby a prospective buyer investigates a business to verify the information on which its value is based, can vary according both to the industry involved and the complexity of the deal, including whether it is an asset only sale of a sale of shares. But, whatever the format, the process can be time-consuming and expensive not least because, by this point, it is normal to have engaged professional advisors to advise on your behalf.

The importance of seeking professional advice

At the very least, you will need to instruct an accountant to verify the accuracy of the accounts and a solicitor to check the seller's business legal documents, such as contracts of employment (which may legally pass to you under the Transfer of Undertakings (Protection for Employment) Regulations, commonly known as "TUPE"), shareholder agreements, lease and licence agreements and key contracts with suppliers and customers. And, here, it pays to be selective. If you don't already have a suitable accountant or business solicitor, shop around.

Buying a business is an expensive process. What you don't need are professional advisors who are inexperienced or generally unavailable when you need them most. Unnecessary delay will cost you money you may not have. Take care to choose someone who specialises in business acquisitions, who can give you certainty about fees and who genuinely cares about you and your business objectives. A good solicitor

At Truelegal we have seen many examples of counterparties using inexperienced adviser which has slowed completion of the transaction down or jeopardised the deal itself.

If the seller has nothing to hide, it should also be possible for you to speak to the existing business accountants. By doing so, not only will you get a better impression of their professionalism but also find out more about the business and to what extent the current owner is personally involved in drawing up the accounts – which may make them less reliable.

Of course, along with assisting with the due diligence, a solicitor is also going to be essential to draw up the legal documents that set out the structure of the deal.

The legalities of buying a business: how to seal the deal

Deals can take many different courses. But, if there is one thing that is consistent about all deals, it is that the price is negotiable. Sellers will never intentionally undervalue their business and buyers will never want to pay the full asking price. Whether or not an agreement can be reached which keep both sides happy is very much down to the experience and expertise of your solicitor and the business transfer agent in leading negotiations. It is essential that you have a price ceiling that you never exceed and are prepared to walk away, no matter how keen you are, if the seller refuses to fall below it.

Which type of deal is best for you?

Assuming a price is agreed, the real variables in terms of complexity of the deal are the way in which the consideration is paid and the way in which the risks to the buyer are managed. In an ideal world, a seller would prefer a full cash payment and immediate exit from the business. From the buyer's point of view, however, it makes sense to have some of the consideration linked to future performance of the business. What usually happens is some kind of middle ground.

If you've struggled to secure the necessary finance to make the purchase, you may even find that the seller will agree to lend you some or all of the money needed to make the purchase and then become a creditor to the business. Or if the seller's know-how and experience is essential at first to the continuing success of the business, you may agree that the seller stays on as a consultant or employee.

Whatever the shape of the deal, there has to be legal documentation that sets out the parties' rights and obligations in writing. And it goes without saying that you need a solicitor who knows what they're doing to draw these up for you.

Letter of Intent/Heads of Terms

The initial offer and conditions made by the buyer are summarised in these documents, which are relatively brief. The main points covered include:

- The subject of the sale – the shares or the business assets
- The consideration, or price, and how it is to be paid
- Payment dates and security for any deferred payments
- Any agreed handover period
- How the purchase is being financed
- Property-related matters such as outline terms for a new lease
- Critical points resulting from the due diligence exercise upon which the buyer is reliant

The Heads of Terms are signed by both parties but are not usually legally binding. They do, however, provide a structure for the more detailed Sale and Purchase Agreement.

Sale and Purchase Agreement

This is the most important and complex document in the transaction and is typically drawn up by the buyer's solicitor. As well as validating that each party has the right to enter into the agreement, it will lay out in detail what is being bought, how the consideration will be paid and what conditions are attached to the purchase.

From the buyer's point of view, it is essential that the Sale and Purchase Agreement includes warranties, or promises, from the seller that certain facts upon which the buyer has relied on in making the decision to buy are true. A buyer will also be looking for indemnities, or agreements to pay compensation, to provide security against certain perceived or known risks. There is usually much negotiation around these terms and conditions and a commercial standpoint, from both buyer and professional advisers, is essential.

The Sale and Purchase Agreement will also include additional schedules such as a detailed list of all assets being bought or transferred and any relevant documents from the due diligence process.

Signing the Sale and Purchase Agreement is an important, and exciting, milestone. As soon as the necessary consideration has transferred from one back account to the other, the deal is done. The business is yours. The adventure begins.

However, there is one more agreement that is equally as important: unless you are planning to own 100% of the shares in your new venture, you will require a Shareholders' Agreement (or Partnership Agreement).

Shareholders' Agreement

The Shareholders' or Partnership Agreement sets out the rights and obligations of those who have a part ownership in the business. Having such an agreement in place can save much stress and money if, at a later point, there is a dispute between shareholders or partners as to the way the business is run or, for example, a shareholder dies, retires or is declared bankrupt. Amongst other things, the Shareholder Agreement should also include an agreed valuation method in the event that the business is sold.

Employee Contract and Director's Service Contract?

In addition to being a shareholder in your new business you are likely to also be a director and an employee. In both of those positions you will want to protect your rights job description, hours worked, salary and any bonus details, holiday entitlement, allowed expenses and pension arrangements.

Property

I've left this topic to last as it is often the "elephant in the room" that a buyer fails to focus on, or at least not early enough. The majority of small businesses being purchased will be operating rom a leasehold property. The buyer needs to consider a number of points and this guide cannot explore these in any detail.

- Is the sale and asset or share sale? If shares the lease remains unchanged, although personal guarantees given by the seller may need to be released and replaced.
- Have you seen the current lease?
- How long is left?
- Are there any breaks?
- What is the rent review provision?
- Is it a "protected lease" with a right to renew at the end?
- Would it be better to ask for a new lease rather than a transfer of existing
- What are the stamp duty land tax obligations?
- What are the repairing obligations and how can this be factored into the price?
- Will you have to pay the landlord's costs in dealing with the transfer or a new lease?

This area is in my opinion the one which has most potential to affect the success of your business purchase. Please do not proceed with a business purchase where there is property without taking professional advice. You have been warned!

Completion

Typically small business transactions now take place virtually with scanned documents being shared between buyer's and seller's solicitors, so the excitement of signing on the dotted line can be somewhat diluted! But completion day and the days preceding and immediately following are key. We have a number of tips for buyers where 100s if not 1,000s of pounds can be saved. The subject of a different guide…

You've bought the business – what happens next?

Legal documentation signed, money transferred … congratulations, you've bought your first business. Now begins the real hard work of making it a success. But, just before you get cracking, there are a few formalities to be undertaken that should not be overlooked:

- You may need to pay Stamp Duty on the shares or Stamp Duty Land Tax on the lease
- Completion or Apportionment accounts make need to be prepared and agreed
- Any assignments or transfers of intellectual property rights may need to be registered, as will any charges
- Statutory forms may need to be filed at Companies House
- Property lease ownership may need to be registered at the Land Registry
- A new VAT registration application will have to be made

Your solicitor should also give electronic copies of all final documents and due diligence materials, sometimes referred to as a "Transaction Bible'" – which contains various important documentation from the transaction.

Get in touch for professional help along the way

At Truelegal we have chosen to focus our advice solely on helping business buyers and sellers. Our team of solicitor experts and the support staff are all experienced in the business buying process and have seen many transactions of the type that you are contemplating.

If tapped into at an early stage — often earlier than a prospective buyer thinks — we can apply this experience to striking a better deal for you, sometimes saving several thousand pounds for you. Early advice and investigation may also prompt you *not* to make or pursue an offer if the deal does not seem right.

By specialising in the business buying field we also come across other business purchase experts such as accountants, brokers and transfer agents, and we would be pleased to connect you to the right one.

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Please contact me or one of my team to get a flavour of what we can do to assist you with your own plans. Rather than the generic guidance provided in this guide, we can focus in on your specific needs and business opportunity.

Don't worry, the "billing clock" won't be ticking. We provide fixed fee quotes once we know more about your own requirements.

Happy business opportunity hunting!