

5 Top Tips for Preparing your Business for Sale

Selling your business can be a complex process. It's a big decision and it can be tough on a number of levels. We find the more informed a client is in the processes involved, the easier and smoother the process becomes.



To help with this, Sian Webber, Partner in our corporate team, has put together some very useful tips for preparing your business for sale.

5 Top Tips for Preparing your Business for Sale

Selling your company is not all that different from selling your house. Before you put your house up for sale it is likely that you will look at it through the eyes of a potential buyer and, in order to get the best price, ensure everything is well maintained to show the house off to its full potential.



It is important to do the same prior to selling your company. The effort put in to preparing your company for sale increases the likelihood of, not only a smoother sale process, but also the potential of a higher price.

However, with business owners understandably devoting the majority of their time and attention to the day to day running of the company, the “housekeeping” can often slip down the to do list. This can lead to delays in the sale process and, at worst, a potential buyer seeking to renegotiate the purchase price.

Please see below five preliminary steps that should help you prepare your company for sale and avoid any potential headaches or delays once the sale process is underway.

1. Dust off the company's statutory registers

By law, every company is required to keep a set of registers. These registers are separate from the annual confirmation statement and other filings which are made at Companies House.

The registers will include, amongst other things, details relating to the company's shareholders and officers, details of any transfers that have taken place in respect of the company's share capital and details of any persons who have significant influence or control over the company.

Importantly, because the register of shareholders is the definitive authority as to who legally owns the shares in the company, a potential buyer will be keen to ensure the registers are all in order and are up to date. [Click for more information on the importance of keeping statutory registers.](#)

2. Review your terms and conditions and commercial contracts

A potential buyer is also likely to want to see copies of the terms on which you engage with your suppliers and customers so it can assess the rights and obligations it will have following completion.

It is not only important to review these to ensure that you hold a copy of each contract which has been correctly dated and signed by both parties, but also to ensure that the terms you think govern the relationship between the company and the supplier or customer actually do and that you have not inadvertently agreed to contract on unfavourable terms.

Importantly, if you have a number of key customers or suppliers, a buyer will want to be sure that if your terms include a right to terminate following a transfer or change of ownership, that the customer or supplier has either waived that right or given its written consent to the proposed transfer. If you do not have your own terms and conditions, now is a good time to get these drafted.

3. Ensure your employment contracts and staff handbook are in order and up to date

When did you last review your employment contracts and staff handbook to ensure they correctly reflect the latest legislation and include provisions that adequately protect the business such as restrictive covenants, a bribery and corruption policy and GDPR provisions?

A buyer is likely to look unfavourably on having to undertake a full review of the employment contracts and staff handbook following completion and may seek to renegotiate the purchase price to cover the cost of having to do this.

4. Carry out an internal intellectual property audit

The question “what intellectual property does the company own?” is quite often met with the response “we do have a couple of logos we use but we never got around to registering these as trademarks”.

Undertaking an intellectual property audit to ascertain what intellectual property the company uses and ensuring it has all been correctly registered and protected will not only better protect your company should anyone ever try to use the same or similar trademark but will also be important to a potential buyer.

5. Review approved tax schemes

A sale is often the time when any approved tax schemes the business may have put in place will reach fruition.

In order to avoid a hefty tax bill as a result of a tax scheme not having been correctly put in place, we would advise that an audit is undertaken to ensure there are no issues which are likely to come to light during the sale process. Common mistakes include not having notified HMRC of the tax scheme, failure to meet the qualifying requirements of the relevant scheme or not realising a disqualifying event has occurred.

Addressing the housekeeping issues prior to a sale process is key to avoiding delays in the process and costly rectification of issues which need to be put right before a potential buyer will commit to a purchase of your company.

Contact PDT

If you wish to discuss any of the points above or a sale of your company more generally, please get in touch with the [Corporate Team](#).



Key Contacts

The PDT corporate team has broad experience advising on M&A, private equity and other corporate transactional matters. In the past twelve months, the team worked on over 30 exciting transactions with an enterprise value in excess of £250m, with an average deal enterprise value in excess of £10m. Our approach is friendly, collaborative and practical. We have skill in dealing with inward investment/purchases into the UK from North American and other international businesses.



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As always, PDT stepped up to the plate for what was without any doubt our most complex transaction in the 10 years we have worked together. With 10 different sets of lawyers based in various different parts of the world working on this transaction, PDT worked in their normal professional & energetic manner to ensure a speedy conclusion whilst always looking after our interests. They did an outstanding job. Russell Maddock, Creative Foods

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PDT were able to guide us through the process professionally with a ‘can do’ attitude which put us at our ease to ensure that we understood the transaction which was complex at times and had a number of moving parts. Maurice Craft, Regency Factors

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PDT Corporate Services

Corporate transactions

- Buy-ins, Buy-outs
- Acquisitions & disposals
- Mergers & joint ventures
- Corporate restructuring
- International business
- Strategic advisory work
- Corporate & Commercial transactional matters
- Private equity
- Partnerships and LLPs
- Shareholder arrangements
- Healthcare

Corporate finance

- Debt refinancing
- Banking and asset based finance
- Factoring documentation
- Security documentation
- Financing of MBO/MBI's
- Development of new finance products
- Advising on credit issues/client reviews
- Security documentation
- Debt advisory

General commercial law

- General terms and conditions
- Bespoke or proforma contracts
- Distribution agreements
- Framework agreements
- Confidentiality and non-disclosure agreements
- Maintenance and support agreements
- Software licensing and development agreements
- Hosted service and software-as-a-service agreements

Intellectual property rights

- Licensing registered & unregistered IPR
- Assignments of IPR
- Taking security over IPR
- Franchise agreements
- Competition law implications of IPR assignments
- Registration of IPR including trade marks, design rights and overseas copyright registrations
- IPR issues in corporate transactions

Data protection

- Data protection policies and record keeping
- Data processing and data sharing agreements
- Privacy notices
- Outsourcing and insourcing transactions
- Data breaches, security and reporting
- Extent and enforceability of data subjects' rights
- Dealings with the ICO
- Non-EEA data transfers

Commercial disputes

- Pre-litigation advice
- Contractual obligations in written and oral contracts and contracts
- Conflicting obligations and "battle of the terms" scenarios
- Rejection and acceptance of goods and services
- Contract termination, breach and repudiation
- Exclusivity obligations, exclusivity breaks and non-compete obligations
- Client or counterparty insolvency
- Debt recovery

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I was blown away by the service that we received from Rebecca and her team at PDT. They guided us calmly through a myriad of complicated issues, working very long hours and were always ready to take our calls, answer our questions and reassure us when needed. We felt completely confident that they always had our back. Parry Jones, COO, The Specialist Works

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Recent Work



The Management Buyout of Forbes & Lomax Limited

"When the opportunity arose to buy Forbes & Lomax Limited - a company which we have worked at for many years - we knew this would be unfamiliar territory for us so we needed lawyers who could carefully guide us through the process and offer pragmatic advice. Thank you to Rebecca and Victoria for all their help and hard work in our successful acquisition and their support in getting it across the line.."

David Hopwood, Gemma Mouton and Claire Maddalena, Forbes & Lomax Holdings Ltd



Advised HIT Training Limited, on its transition to employee ownership

"This was a challenging journey for us and needed steady hands. Noel has been a sounding board for many years and originally suggested the EOT to us. Noel and his team expertly guided us through the company law aspects of the transition to an EOT and I would recommend PDT to any business wanting advice on how EOTs can be used. Thank you to the team for all your hard work and support."

Jill Whittaker, Managing Director, HIT Training Limited



The sale of Forza Doors Ltd to Novastone Capital Advisers

"It has been a joy to work with the PDT team. They all remained positive throughout and navigated their way past numerous curve balls and surprises. A sterling effort - absolutely 100% all the way through.."

Nick and Jeneen Hare, Shareholders of Forza Doors Limited



Etal (UK) Limited on its acquisition of Avon Magnetics and its acquisition of AGW Electronics

"It has been great to work with PDT on another one of our acquisitions. PDT are familiar with how we work having worked with them on a number of acquisitions. As always, we could rely on the PDT team to guide us through the process and provide pragmatic advice. We look forward to working with PDT on our next acquisition"

Dan Phelan, Head of Business Area Magnetics, Kamic Group



The sale of Chillibyte to Broadlight Group Limited

"PDT have supported our business for many years and seemed the obvious choice for advisers when we were looking to sell. This was an unfamiliar process for us, but we felt supported and guided through the process. Thank you to Sian and the PDT team for all their hard work and support in getting this sale over the line"

Tim Watney, Chillibyte



The sale of Advantedge Sunrise Software Limited to Volaris Group

"This was our first time working with PDT. We were impressed by the professionalism and advice given – particularly when issues arose – to find practical solutions which were acceptable to all parties. This is a once in a lifetime event for most sellers and the team delivered excellent guidance throughout"

Tom Weston, Managing Director of Sunrise Software Limited



The strategic investment in Seaspace International Forwarders Limited by Emerge Ecommerce Limited, part of Emerge Global

"We were pleased with the care and attention given to us by the PDT team to guide us through this transaction including working all hours to ensure the deal completed when we needed it to. We would definitely recommend the PDT team to others looking at undertaking a transaction."

Stuart Russell-Smith, Director of Seaspace International Forwarders



Mindelon AB on its acquisition of Astley Signs

"Noel and the team at PDT were very good to work with and I strongly recommend them. This was an important acquisition for us so we were helped by having a law firm that worked collaboratively with the other advisors on the transaction and provided pragmatic advice when we needed it. To the PDT team, thank you for all your hard work in helping us make this deal happen."

Ulrica Lindunger, Head of the Retail Solutions business area



The sale of Arden Grange Pet Foods to AlphaPet UK Venture Limited

"Rebecca and her team at PDT were just brilliant. They advised us on all aspects of the deal in a calm and professional manner. They understood our position and we were able to make decisions in full knowledge of the different routes available to us. Rebecca was able to guide us through the process which was new to us and we felt we were in safe hands."

Wendy Stephens, Arden Grange



The sale of Esoteric Limited to Mitie Security Limited

"The team at PDT have been nothing short of amazing, guiding me through the acquisition process and the challenges that go with any transaction of this nature. Like many business owners, I have a very busy schedule and PDT worked flexibly to fit in with my schedule which sometimes involved them working late into the evenings! I would highly recommend them. Thank you to Noel, Sian and the PDT team for all your hard work and support"

Emma Shaw, Esoteric Limited



The investment by Business Growth Fund in AD Williams

"Noel, Sian and the team at PDT were just brilliant and I can't recommend them highly enough. We had been looking for the right law firm for our business for some time and I now appreciate how important it is to have the right legal team steering you through the process. It would have been a nightmare without the calm and assuring presence of PDT."

Stuart Bacchus Chief Executive Officer, AD Williams



The sale of Regency Factors and Regency Trade Finance to Cubitt Trade Holdings LLC

"The sale of a business which you have founded is a once in a lifetime event. We needed to ensure that this was right for us and our stakeholders. PDT were able to guide us through the process professionally with a 'can do' attitude which put us at our ease to ensure that we understood the transaction which was complex at times and had a number of moving parts."

Maurice Craft, Regency Factors



The investment by Rubicon Partners in Bamboo Distribution Limited

"It has been a pleasure working with the PDT team. Thank you to Noel, Rebecca, Sian and Laura for all their hard work and support in getting the deal over the line. The PDT team guided us through the transaction in a professional, approachable and calm manner making us feel informed and protected. This is our first time working with PDT, but we wouldn't hesitate in recommending them and look forward to working with them in the future as we continue our journey with Rubicon Partners."

Juney Mistiki, Bamboo Distribution



The sale of Calverton Finance to Cubitt Trade Holdings

"We were delighted with the sound advice we received from PDT. This was a significant deal for us which meant it was important to feel as if we were in safe hands. They negotiated the contract and warranties in an extremely professional manner, and gave the shareholders an excellent and friendly service. I would definitely recommend them to anyone looking to sell their business."

Peter Cordrey Former Chairman, Calverton Finance



The sale of Advantagedge Commercial Finance to eCapital Corp

"PDT advised us in relation to the purchase of the Factor 21 group in 2016 and the management team did not hesitate to use the Corporate team again for the sale. The deal was complex and PDT were able to give us clear advice on the terms to enable us to make decisions in full knowledge of the different options available. We would like to thank Noel, Rebecca and Sian for their diligence and good humour throughout"

David Tilling, CEO, Advantagedge Commercial Finance



Contact us to discuss how we can help your business.

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