



Business sales and purchases

Buying or selling a business or the company operating a business is a big step. It is essential that your interests are protected and that you are aware of the risks and pitfalls.

The terms of the transaction should be properly documented. From the buyer's point of view, this will make it clear what is being bought and how their investment is to be protected, with appropriate warranties and restrictions on the seller. From the seller's point of view, this will provide clarity as to how payment will take place and how any liability from warranty claims is to be limited.

In the present economic climate, with restricted bank lending, seller loans (or deferred payment) have also become an integral part of a number of sales. Protecting the seller's "investment" by negotiating guarantees and security for the loan can therefore also be critical to the success of any sale and should be considered carefully.

The transfer of a business will usually involve employees and the issues presented by the employment regulations, commonly known as TUPE. These regulations can be a minefield for the unwary. Both sellers and buyers can be at risk if the appropriate procedures are not followed. Consultancy or service agreements for the sellers' continued involvement in the business post-completion may also be required.

Furthermore, the treatment and use of capital allowances on plant and machinery is becoming a significant issue given changes in legislation. Documenting the correct allowances and asset values is essential to protect this investment and to ensure you can claim allowances in the future.

We can assist with all elements of business or share sales, including:

- Advising at Heads of Terms stage to ensure that all of the issues mentioned above are taken into account and agreed upon from the outset and that the parties' expectations for the transaction are achievable;
- Dealing with the fact finding stage of the transaction, known as due diligence;
- Dealing with the negotiation of all the principal documentation, including the Business / Share Sale Agreement and Disclosure Letter;

Commercial Services

- Business or Share sales and purchases
- Company matters
- Partnership matters
- Agency, Distribution and Terms and Conditions
- Franchising
- Employment issues
- Commercial Property Transactions
- Property Development
- Landlord and Tenant
- Agricultural matters
- Environmental

For further information on our Commercial Services please contact:

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Business sales and purchases continued

- Dealing with all ancillary documents, including any required Assignments or Transfers of property, goodwill and/or intellectual property rights, and any necessary company documentation, such as Board Minutes, Resolutions and Companies House forms; and
- Dealing with the formalities of completion and any post completion issues or requirements, including registrations at the Land Registry, where property is transferred, and filings at Companies House.

We can also assist with any issues that may arise following completion of a business or share sale, for example:

- Where deferred purchase monies are not paid and security for them needs to be enforced;
- Where there are claims for breach of warranty and/or indemnity;
- Where payments are due under earn out provisions or loan notes; or
- Where there are employment related disputes as a result of the transaction.

Please contact the Commercial Team for more information.

Other services Dootsons can help you with:

- Litigation
- Employment
- Wills, Trust and Probate
- Family
- Mediation
- Residential Conveyancing

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