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CHARTERED ACCOUNTANTS

Selling a business: everything you need to know

Paul Davis & Ross Welland





Introductions



Paul Davis
Audit Partner

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Paul's client base ranges from multinational manufacturing groups, charities and not for profit sector, sports and football clubs, couriers, consultancy businesses, society lotteries providing audit, accounting, taxation and business advisory services from small owner managed to multinational businesses.

In addition, Paul runs the firm's sister company BGM Lewis Hickie Limited, a specialist Service Charge Accounting practice. He is also a member of the ICAEW Valuation Group, having a wealth of experience in preparing business valuations.



Ross Welland
Tax Partner

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Ross works with a large range of clients, particularly business owners and private clients. He provides expert advice on a wide range of tax issues, including property projects, cross border taxation and structuring for business and individuals.

His strong understanding of the client's needs allows for the development of a clear and concise tax strategy recommendation that will be best suited for each individual client.



Selling a business: everything you need to know

Preparing your business for sale



Seek advice from a corporate finance advisor

- Timescale
- How are you going to attract a buyer?
- Consider the assets of your company
- Enhance the value and marketability of the business
- How will the consideration be satisfied?



Seek advice from your accountant

- Perform an internal due diligence
- Cash flow forecasts
- Budgets
- Business plan
- Business processes
- Tax affairs
- Other considerations



Speak to your solicitor

- Ownership of IP and property
- Compliance with regulations
- Litigation
- Supplier and customer contracts
- Bank considerations
- Onerous contracts



Consider human resource issues

- Employment contracts
- Employment disputes
- Pension scheme obligations
- Share option schemes



Selling a business: everything you need to know

Tax considerations



Pre-sale planning (1)

- Cleaning house
 - Non-business assets
 - Historic tax issues including schemes
 - Hive downs/reorganisations
 - Substantial Shareholdings exemption
 - Pre sale dividends
- Managing tax reliefs
 - EIS/SEIS
 - Entrepreneurs Relief



Pre-sale planning (2)

- Key features of Entrepreneurs Relief
 - Director or employee
 - Hold shares for at least 2 years (from 5 April 2019)
 - Hold 5% or more of the ordinary shares (including voting rights, distributable profits and distributable assets)
- Key employees
 - EMI
 - Other
- Other
 - Breaking Residence
 - Wills



Tax considerations on sale

- Consideration
 - Deferred
 - Non-cash
 - Irrecoverable
- Employment tax?
- Transactions in securities
- Warranties



Post sale planning

- EIS/SEIS relief
- Loss of IHT relief?
- Estate planning



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Thank you

This presentation provides an overview of the issues considered and is for general information only. It is not intended to provide advice and should not be relied upon in any specific transaction.

