

When building a business – have one eye on Creating a “Capital Event”

- Poor health
- Partner issues
- Burn out
- Want other challenges

Selling Your Business

- Why now?
- What do you want to do after?
- Time frame
- Do you need to achieve a certain figure?
- Personal finances?



Preparation

- If you are a practitioner/owner – need to reduce your clinic time
- Ideally show 3 years of positive growth in profits with well prepared company accounts (cut all unnecessary expenses)
- Personal company loans
- Strong management team

Help

- Accountant

- Lawyer

Administration

- GDPR
- CQC
- Disputes
- HR Files/contracts/issues?
- Leases – equipment and building
- Complaints?
- Tax payments – VAT issues?

Deal Structure advice (tax, legal and accounting)

- Share sale to another party
- MBO
- EOT
- Asset Purchase

Tax

EOT – exempt from Capital gains

Share Sale – Business Asset Disposal Relief (10% Capital gains up to £1 million)

Valuation

- Both art and science
- Involves Trust on both sides
- Multiple of Measures of profitability (EBITDA)

Payment Structure

- Money up front vs staged payments
- Stay in the business for a period?...fees?
- Involves Trust on both sides

Marketing your Business for Sale

- Confidential?
- Trade sale
- Brokers
- More suitors – more likely you are to get target price

Marketing your Business for Sale

- Information memorandum
- NDA
- Detailed financials

Prepare for due diligence

- Statutory registers
- Asset ownership
- Intellectual property
- Insurance... etc

Negotiate

- Flexibility
- Realistic
- Put yourself in the buyers shoes

Process

- Purchase and sale agreement (can be a long document!)
- Warranties and Liabilities
- Non-compete
- Make sure that there are no surprises

Post Sale

- Communication
- Financials
- Operational
- Sale proceeds – investment
- Tax