



BUSINESS SALE CHECKLIST



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There are many areas you need to consider when selling or exiting your business. Of course it is best to plan for a sale many years before the event if you really want to maximise your sale price.

TAXATION ISSUES & MAXIMISING YOUR SALES PRICE

- ☐ What information should you prepare to maximise the sale price (sales memorandum, adjusted profit summary)?
- ☐ Have a prospective purchaser sign a confidentiality agreement.
- ☐ Consider the tax consequences and if any capital gains exemptions apply to you.
- ☐ Establish what price you wish to sell for. Kennas can prepare a Business Valuation to help establish a sale price.
- ☐ Will your sale price provide you with the financial freedom or flexibility you want after the sale?
- ☐ Should you ask for a deposit?
- ☐ What is the best way to find a buyer (own network, business broker, property agent)?

ISSUES TO CONSIDER TO FINALISE THE SALES CONTRACT

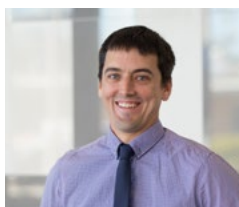
- ☐ Agreement of price to be paid.
- ☐ Should you apportion the sale price between goodwill, cars and equipment?
- ☐ How will the purchaser pay for the business?
- ☐ Consider contract clauses relating to:
 - o Staff
 - o Vendor assistance post sale
 - o Warranties
 - o Transfer of other contracts
- ☐ Consider the timing of informing staff and customers.
- ☐ What date you sell can be important to minimise tax.

- ☐ Are you happy to stay around for a period to help the business to transition to the new owner?

OTHER IMPORTANT ISSUES FOR THE VENDOR

- ☐ For suppliers - close accounts and cancel guarantees.
- ☐ For leased premises - assign the lease and gain release from guarantees.
- ☐ For bank accounts - require release of guarantors.
- ☐ Recovery of deposits.
- ☐ Holiday Payment Plans (unless being taken over by the purchaser).
- ☐ Long Service Leave payments (unless being taken over by the purchaser).
- ☐ Team - keep the team together. In most cases they will be vital to the successful transition.
- ☐ Remember if the purchaser needs vendor finance, your client will need to assist in the transfer of ownership if not no other reason than to ensure that the purchaser pays all monies due on the contract.
- ☐ Lodge final Worker's Compensation return, pay and cancel.
- ☐ Lodge final Payroll Tax return (if required).
- ☐ Cancel insurance policies (after discussion with insurance broker and solicitor relative to any policies to be maintained for a period of time).
- ☐ Transfer items such as business names, yellow pages and website.
- ☐ For capital items purchased within five years of business sale or exit review to see if GST has to be paid back.

FOR MORE INFORMATION CONTACT



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