



## **AIDE MEMOIRE**

### **TO THE SELLER OR BUYER OF LICENCED AND/OR BUSINESS PREMISES**

On the sale and purchase of a business the Buyer, his accountants and legal advisers will ask many questions and the Sellers solicitors will ask many questions to enable them to prepare the contract documentation. It is therefore helpful on any sale for a Seller to have done most of the ground work beforehand to give his advisers a complete picture. The following are a list of the information that the Seller should make available to his advisers, they are also helpful for a Buyer to consider to ascertain the questions that they might wish to ask the Seller of a property and business.

**TITLE** – ensure that you know where your title deeds are and your mortgage account number to enable the deeds to be sent to your solicitor promptly.

If leasehold, ensure that the rent and service charge if any is paid up to date and that you have receipts for the last payments and a copy of the up to date insurance schedule and policy.

**RIGHTS** – if you have informally been granted rights over a neighbouring property with the idea in due course of formalising these then instruct your solicitor to prepare the appropriate documentation to prevent any delay in completion.

**LOCAL AUTHORITY LICENCES** – have available copies of any planning permissions that you have obtained, copies of the latest environmental health report, fire certificate, ice-cream sale licence. If you have been served with any notices then make copies available.

**INVENTORY** – prepare the inventory of every item that is included in the sale, included in the inventory but separately listed should be those items which are subject to any HP loan, lease hire or credit agreement, have copies of the agreements available and indicate whether or not you expect the Buyer to take over the liability under the agreement.

**JUSTICES LICENCES** – make sure that the Property licence, performing rights licence, gaming machine licence are in order and ensure that copies are available.

**EMPLOYEES** – provide a list of your current employees including date of commencement of their employment, hours worked, salary, age and holiday entitlement and written contract.

**ACCOUNTS** – you will be expected to provide copies of the last three years profit and loss accounts, make sure that you have copies available and that last years accounts have been prepared by your accountants.

**TAX** – consider the VAT and tax implications of your sale with your accountant.

**WARRANTY & DISCLOSURE** – you will most probably be required by your Buyers solicitors to warrant i.e guarantee that your accounts and details that you have given in connection with your business are accurate and that you are not aware of anything that would affect those accounts or your business. If you do make a warranty which is later found to be incorrect the buyer may have a claim against you for damages.

**STOCK** – have an estimate of the stock available and advise your solicitor how you wish the stock to be dealt with i.e is the stock-take done by a specific firm or is it to be done by yourself with the concurrence of the Buyer. If it is to be done by a specific firm of stock-takers, who is to pay the cost of this? In normal circumstances one should bear in mind that the greater the stock (for example retail shop) it is usual to use stock-takers for this but for example for the sale of a smallish hotel, say twenty bedrooms, then it is normal for the owner and the Buyer to do the stock-take themselves.

**RESTRAINT OF TRADE** – it is possible that you will be asked to enter into a promise that you will not trade in competition within a certain radius (for example two miles) for a number of years. You should consider if this will conflict with any other business interest that you might have in the area and also what sort of restraint that you are prepared to agree to.

**CLAIMS** – if you are aware of any claims pending against the business or you for example the unfair dismissal of an employee, County Court case or summons due. It is appropriate to give details to your solicitor before the contracts are issued.

**BUSINESS CONTRACTS** – you should also let your solicitor have any details of any business contracts, advance payments, tie or solus agreements and agency agreements that affect your business. Please provide your solicitor and agent with copies of these.

**ENERGY PERFORMANCE CERTIFICATE**\_ this is required by law to be produced by the seller on all sales of business premises . If your require help in obtaining this please let us know. You will need to produce this.

**ASBESTOS SURVEY-** this is required by law on all business premises you will need to produce this ,if you have not had an asbestos survey carried out you should do so to avoid delay on the sale.

**FIRE RISK ASSESSMENT-** this is required by law on all business premises you will need to produce this , if you have not had one carried out then you should do so to avoid delay on the sale.

**DOMAIN NAME TRANSFER** – Have available the appropriate information to facilitate the transfer of the Domain Name used for the purposes of the business.

This is intended as an aide memoire and as such not all of the items listed will be relevant in every case and there may be other items that will arise on the sale of different types of businesses which have not been covered by this aide memoire.

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