

IN-COMbsl15

Business sale agreement: café or sandwich shop

Date: [date]

Between:

The Buyer is: [name] of [address]

The Seller is: [name] of [address]

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General

Accounts

Assets

Trading and contracts

Leasehold Property

Information technology ("IT")

Agreement for the Sale and Purchase of the Business known as [name]

This agreement is dated: [date]

The Buyer is: [name]

of [private address]

The Seller is: [name]

of [private address]

The Guarantor is: [name]

of [private address]

[If more than one seller or buyer, leave the word “Buyer” or “Seller” in the singular, but list the names and

“ [] ”]

It is now agreed as follows:

1. Definitions

So far as the context permits, the following words

:

"Accounts" means the audited profit and loss account of the Business, made up to [day and month] in each year and the

"Agent" means a third party who has contracted to re- [/].

"Assets" means all tangible and intangible assets whatever, owned by the

"Business" means the [type of business] business carried on by the Seller until the date of this agreement under the name []

"Confidential Information"	<p>means all information about the Business, including any information which may give a commercially competitive advantage to</p> <p style="text-align: center;">:</p> <p>data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer ,</p> <p style="text-align: center;">;</p> <p>information created or arising from this agreement;</p> <p>information, comment or implication published on</p>
"Contracts"	<p>means current contracts of the Seller in relation to the Business,</p>
"Domain Name"	<p>means any</p> <p style="text-align: center;">:</p> <p>[name1].com</p> <p>[name2].com</p> <p>[name3].co.in</p>
"ISP"	<p>means the Internet service provider;</p>
"Last Accounts Date"	<p>means the date</p>
"Lease"	<p>means the lease or leases under , [,]</p>
"Price"	<p>means the</p>
"Property/Properties"	<p>means the freehold or leasehold properties,</p>

"Stocks" means stocks of Products, raw materials, work in progress and finished goods, and goods for

"Warranty/Warranties" means the warranties and

"Website" means [www.\[URL\]](#) and [www.\[URL\]](#) and

2. Interpretation

This agreement :

2.1 a reference to one

2.2 a reference to the knowledge, information, belief or awareness

2.3 a reference to a paragraph or schedule is to

2.4 any agreement by any party not to do or

2.5 [except where stated otherwise],

;

2.6 all money sums mentioned in this

,

.

3. Entire agreement

3.1 Each party acknowledges that this agreement contains the entire

,

3.2 So far as any relevant law permits, conditions,

,

3.3 The Seller warrants and undertakes that he is not

.

4. Agreement for sale

4.1 Subject to the terms of this agreement,

:

4.1.1 the Business as a going concern;

4.1.2 the Stocks;

4.1.3 the Domain Name(s);

4.1.4 the Website;

4.1.5 all other Assets

.

4.2 Completion shall take place at date

,

.

4.3 The assignment of the leasehold

1 .

5. Transfer of contracts

The Seller undertakes that for a period of [three] years, he will do his utmost

5.1 enter into any novation agreement.

5.2 provide information about any
[] .

5.3 confirm to any person or governmental authority such details

5.4 immediately inform the

6. The Price

6.1 The Price for the Business [1000 , 000] [
/] .

6.2 The Price shall be paid by banker's draft /

6.3 will be

[list property on which VAT payable]

OR

6.4 The Price

7. Items to be delivered at completion

The Seller shall handover to the Buyer or otherwise deliver

7.1 whatever the Assets are

7.2 all books of account;

7.3 computer programmes used in

7.4 all information

7.5 transfers of the

7.6 assignment of the leasehold Property [unless

7.7 marketing material of every sort in any medium;

7.8 all other

8. Completion

8.1 As soon as the items listed above have passed

8.2 As soon as possible and in any event within [14 days] from the date hereof, the Seller shall procure that the Domain Names are transferred to the Buyer.

8.3 As soon as possible and in any event within [two days] from the

8.4 The Seller has a continuing obligation to do what is ,

8.5 The Buyer shall not be obliged to

8.6 If any or all of the transactions set out in this paragraph do not ,

9. Creditors and liabilities

9.1 The Seller shall immediately discharge all the debts of the ,

9.2 After the date of this agreement, the Buyer must discharge the outstanding obligations and liabilities of the Seller under ,

9.3 The Buyer shall not be liable for any breach of any contract by the Seller before .

10. Value Added Tax (VAT)

10.1 The parties shall procure that the sale of the Business

10.2 The parties have entered into this agreement on the basis that

10.3 The Seller shall immediately deliver to

10.4 The Buyer shall for a period of not less than [6 years] from

11. Warranties by the Seller

11.1 The Seller warrants to
2

11.2 Where any Warranty refers to the knowledge, information

11.3 The Seller agrees to indemnify the Buyer against all costs claims

11.4 Except in the case of death or personal injury, the total liability of the Seller under
[20 , 0000].

11.5 The Warranties in this agreement are not

OR

11.6 The Warranties in this agreement are not limited in monetary value, but no claim

[]

12. Future activities

In order to give the

12.1 commence or continue any business or activity whatsoever

[3]

12.2 within [three years] of the date of this agreement, promote or sell any product or service which competes with

[]

12.3 trade under any name

12.4 register nor purchase nor use any Internet domain

13. Confidentiality

13.1 The Seller now undertakes that he will:

13.1.1 except as provided in this , ;

13.1.2 not use the Confidential ;

13.1.3 not post on the Internet any Confidential Information.

13.2

[]

14. Publicity / Announcements

14.1

OR

14.2 No party shall:

14.2.1 make any public announcement; or

14.2.2 disclose any information; or

14.2.3

15. Miscellaneous matters

15.1

15.2

15.3

15.4

15.5

15.6

15.7

15.8

It shall be deemed to have been delivered:

;

72 ;

- : 24

. [

)

].

15.9

15.10

Signed by [Seller name in full]

AND

Signed by [Buyer name in full]

Schedule 1: Leasehold Property

50

[,] ,

1.

2. []

3.

4.

OR

5. [] ,

6.

7.

OR

8.

AND

9.

9.1

9.2

9.3

9.4

9.5

9.6

Witness to signature:

Name:

Address

Signed by [personal name], duly authorised for the Buyer

Witness to signature:

Name:

Address

Signed by [personal name], the Guarantor

Witness to signature:

Name:

Address

The Schedule 2: Warranties

General

1.

2.

Accounts

3.

4.

5.

Assets

6.

7.

8.

[

[]

[]

Trading and contracts

9.

10.

Leasehold Property

11. 1.

12. []

13. []

14.

15.

16.

17. :

17.1. ;

17.2.

18.

19.

20. As to the leases:

20.1.

20.2. there are no rent reviews in progress.

21.

Information technology (“IT”)

22.

:

22.1. domain name:

22.2. name and contact information of registrar:

22.3. date to which the name is registered.

23.

24.

25.

:

25.1.

;

25.2. an email service provider.

26.

:[]

End of Warranties

Explanatory notes:

Business sale agreement: café or sandwich shop

General notes

This is a long document which requires many changes. We suggest you save a perfect copy in case

1. Advantage to the buyer

This document is usually drawn and submitted by the buyer to the seller. If you are the seller, you have a great advantage if you are able to present this draft to

2. Warranties

The seller has a reason to sell. That may not be the reason he has given to you. The only way you can cover yourself is through the warranties. An agreement for the sale and purchase of a business or a company is all about the warranties. What you ask in warranties, and what the seller replies in the disclosure letter are of great importance. If a warranty does not apply, delete it. Generally, do

3. Initial extra pages

In a document as complicated as this, it is good practice for all parties to initial each page

Matters relating to numbered paragraphs in the document

(some points are covered in the Warranties)

1. Definitions

Please read the general notes sent along with

For “Confidential Information”, we have provided a very full menu of items. Depending on your business,

But if you do change any defined word, make sure it applies to every capitalised use

You should first decide on the contents of the document, then return to check what definitions are needed and whether they really

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose.

3. Entire agreement

This paragraph prevents a party from later saying he was relying on some other document or web site or what was said. If other documents are to be relied on (if any), let them be

4. Agreement for sale

There is an overlap in this list: use the descriptions that are most

5. Transfer of Contracts

If you buy a business as a going concern, you need to be sure that every person with whom the business deals, comes with it. It is generally impossible to fix up contract transfer arrangements in advance of the purchase, so this paragraph covers the best way to deal after the event. The most crucial part is the co-operation of the seller. If he

6. The Price

The buyer may wish to apportion the purchase price among the assets first, for tax purposes; and second, so that if by chance some item is not available on completion,

7. Items to be delivered at completion

It is essential for a smooth transaction that the seller assembles absolutely all the documents which will be needed on completion. It is a good idea to ask

the seller for a list

It is not of course necessary to physically move or hand assets to the buyer. Delivery means delivery of possession. Some assets may of course be handed over physically,

The necessity to transfer rights and contracts with third party suppliers causes problems. Issues arise because Internet service suppliers usually operate on inflexible standard terms. Many have no procedure for fast transfer of their service. This puts a business buyer in a difficult position. Take a payment service provider.

We suggest that the best way must be to put the obligation on the seller to get all service changes in place, subject to a telephone call, which can be made on the same day as completion of the

Alternatively, the buyer should open his own separate account with

8. Completion

It is a matter of negotiation and agreement as to the mechanics of completion and in particular when final issues are to be completed. Leasehold property will have been dealt with in advance, but domain names may present more difficulty since there are no provisions for a conditional transfer. The buyer has to decide how long

The power to rescind is very strong. Usually, when a buyer has taken control of

9. Creditors and liabilities

We think this is a good arrangement but

10. Value Added Tax (VAT)

The transfer of business as going

11. Warranties by the Seller

This paragraph - confirmation of the warranties - is critical to

This paragraph provides for the warranties to be given by the seller. Generally, it is good practice to delete irrelevant warranties, but

To claim for breach of warranty the buyer must prove money loss. He is also under a duty of care to reduce his loss so far as

12. Future activities

The buyer should never take the seller's word for the proposition that the seller will not compete and will say only good things about the buyer and the business. The seller should be bound to appropriate "good behaviour". A covenant (promise) not to compete is not enforced by the courts unless it is reasonable in

13. Confidentiality

Warranties cover only matters that exist at the date of the sale. The future must be covered separately. Confidential Information is defined as that relating to the business, so this paragraph protects the secrets of the

14. Publicity / Announcements

Edit or delete.

15. Miscellaneous matters

A number of special points. We have identified each of these as important to

These are just as valid in

Notes on the Schedule

Schedule 1 - Leasehold Property

Leasehold property: we have provided

Schedule 2 - Warranties:

Warranties: drafting notes continued

It is good practice to delete irrelevant warranties,

“ ” “ ”

General

These are very

With reference to licences and consents: in any business which has been operating for more

Accounts

The basis of valuation of the business is likely to have been the last audited annual accounts,

Assets

The most important answers sought here are as

Trading and Contracts

This section covers every contract - from customers and suppliers to the office cleaner and the car leases. Particular care should be taken with

The buyer's requirement for details of customers and suppliers will be
1,000

Leasehold Property

Most of these items cover the facts that would be

Information technology (“IT”)

We have placed these under a separate heading to cover the special provisions which apply to them.

End of notes