Business transfer agreement: incorporation of a sole trader or partnership to a company

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Schedule 1 Fixed Assets
Schedule 2 Excluded Assets

The date of this agreement is: [■ ■ ■] The Seller is: [name] of [private address] And [second partner, if any] of [private address] [add more partners if required] [Where two or more people constitute the Seller, they agree that they are liable jointly and The Company is: [company name] of [registered address], registered in New = = = , = = = = = [= = =] It is now agreed as follows: **Definitions** 1. So far as the context permits, the following words -----: "Accounts" means the audited profit and loss account of the Business for the year ended [date] and the balance sheet means all of the Assets of the Seller "Assets" "Business" means the [type of business] business carried on by the Seller until today under the name and style = = = [= = = = =] = = = = = = "Confidential Information" means all information about the Business. It includes among other things, information about staff, their personal contact information,

methods of doing business, future plans,

policies, suppliers and customers. It includes

"Contracts"	means current contracts of the Seller in
"Creditors"	means trade creditors and accrued charges in connection with the Business .
"Distributor"	means a third party, including sales agents and Internet affiliates and partners, who has contracted to assist in some way
"Domain Name"	means any or all of the •••••••••••••••••••••••••••••••••••
	[name1].com
	[name2].com
	[name3].co.nz
"Excluded Assets"	means the Assets listed in Schedule 2
	•••••
"Fixed Assets"	means all plant, machinery, tools, ■ ■ ■ ■ ■ ■
	• • • • • • • • • • • 1 .
"Goodwill"	means the goodwill in relation to the
	•••••
"Price"	means the price • • • • • • • • • • • • • • • • • • •
"Stocks"	means stocks of products, raw materials, work in progress and finished goods, and goods for

	,,
"Third Party Software"	means software owned by some
	•••••
"Website"	means www.[URL] and www.[URL] and

2. Interpretation

This a	agreement = = = = = = = = = = = = = = = = = .
2.1	A reference to a person includes reference to that person's successors legal representatives,
2.2	[Except where stated otherwise],
2.3	This agreement and its schedules / attachments are to be taken together so as to give effect to all of
2.4	This agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement

3. Agreement for Sale

3.1	Completion shall take place today, immediately upon exchange of this agreement duly signed
	3.1.1 the Business as a going concern;
	3.1.2 the Goodwill;
	3.1.3 the Fixed Assets;
	3.1.4 the Stocks;
	3.1.5 the Intellectual Property Rights;
	3.1.6 the Domain Name(s);
	3.1.7 the Website;
	3.1.8 rights to use Third Party Software;
	3.1.9 the benefit of the Contracts;
	3.1.10 all other Assets • • • • • • • • • • • • • • • • • • •
	but excluding the Excluded Assets.

4. The Purchase Price

4.1	The Price for the Business shall	•••	
	:		
	Goodwill	\$[1
	Fixed Assets	\$[1
	Intellectual Property Rights	\$[1
	Contracts and all other property, Assets and rights	Nil	
	the Stocks	To b	e ascertained,

		Total price [excluding Stock] \$ []
	4.2	There shall be deducted from the
	4.3	The Price shall be paid as follows upon
		4.3.1 as to \$ [• • • •], • • • • • • • • • / • • • • • • ;
	AND	/OR
		4.3.2 as to \$ [amount] as a
	AND	/OR
		4.3.3 as to fair consideration for the issue of [number] fully paid [
5.	Iten	ns to be delivered at Completion
	The	Seller shall hand to the Company or otherwise deliver ■ ■ ■ ■ ■ ■ ■ ■
	5.1	such of the ************************************
	5.2	all books of account and GST records;
	5.3	computer programmes • • • • • • • • • • • • • • • • • • •
	5.4	all data in electronic form,
	5.5	,
		5 © Andrew Taylor and Net Lawman Ltd

5.6	marketing material in any medium;
5.7	
];
5.8	evidence of Contracts and assignments of Contracts;
5.9	;
5.10	
5.11	
5.12	
5.13	
5.14	policies of insurance, continuing;
5.15	

6. Completion

6.1

OR 6.2 ------.................................... 6.3 6.4 [14] = = = = = = = = = = = = = = = , = = = = = = = = = = = -----------................................... -----------.................................... ------. 6.5 -----------................................... 6.6 Stocks and debtors ------..................................

7.

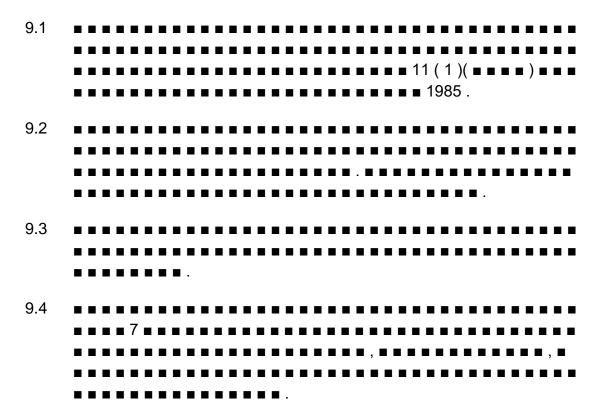
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9. Goods and Services Tax (GST)

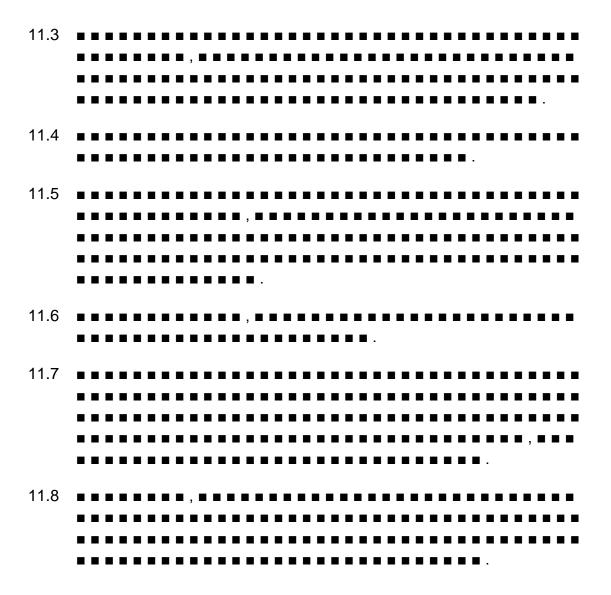


10. Future Activities

	• • • •													• •		-
10.1	 			• • •	 		• •			•		-				•
10.2	:::		 	• • •	 	• • •	•		-	•			•			
10.3					, . , .							•••		•	•	•
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10.5									••	•		••	•	- 1	• •	•
10.6		• • •						•••	•••		•••	•••	•	• ·	• •	•

11. Miscellaneous matters

11.1						I
		 ,		 	 	
11.2	 	 	 	 	 	J
	 	 	 	 		ı



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

Witness to signature:

Witnessed by: [name]

of: [address]

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

Witness to signature:

Witnessed by: [name]

of: [address]

Schedule 1: Fixed Assets

[list fixed assets]

Schedule 2: Excluded Assets

[list excluded assets]

Explanatory notes:

Business transfer agreement: incorporation of a sole trader or partnership to a company

General notes:

As we explain briefly in the page from which you bought this document, been drawn primarily for an agreement between people who know each already and where the directors of the company may be associated with seller. If the deal is absolutely at arm's length, you Of course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place, It is assumed that the seller is a sole trader or small partnership. Their in could be stated as "Seller" or you could change to some abbreviation of This document is designed to cover virtually all the eventualities which we important in a business sale and purchase. But there is little statutory interference in a negotiation of this nature. You may **This document** Of the course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place, The course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place, The course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place, The course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place, It is assumed that the seller is a sole trader or small partnership. Their is a sole trader or small partnership. The course is a sole trader or small partnership. Their is a sole trader or small partnership. The course is a sole trader or small partnership. Their is a sole trader or small partnership.
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could be stated as "Seller" or you could change to some abbreviation of This document is designed to cover virtually all the eventualities which w important in a business sale and purchase. But there is little statutory interference in a negotiation of this nature. You may
important in a business sale and purchase. But there is little statutory interference in a negotiation of this nature. You may •••••••••••••••••••••••••••••••••••
4. It is essential for a smooth transaction that the seller gets together absolal the documents which will be needed on completion. It is a good idea provide a list of them to the company with a copy of this agreement in fir form. Ask for approval of the list.
The company should not hesitate to apportion the purchase price among assets so that he does not pay for items he is not getting. Agreement shoe = = = = = = = = = = = = = = = = = = =
Where a transaction may not be at arm's length, it will attract the attention Inland Revenue. You may be wise to consult your accountant and obtain clearance in advance. This may be particularly important if you plan a same onwards at

Paragraph specific notes

••	Deminions	
	The town "Ocutionate" is intentionally by and	
	The term "Contracts" is intentionally broad	a, so as to cover many types of

business. It could include contracts to buy, sell or

2. Interpretation

Definitions

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. Many of them

. . . .

3. Agreement for Sale

There may be some overlap in this list:

........................

4. The Purchase Price

This agreement is drawn for use between parties who know each other and where the company buyer is either already connected to the seller or at least has detailed knowledge about the business. Because the relationship may be close, the

.

- Goodwill
- Fixed assets
- Intellectual property
- Stock for sale or manufacture
- Other categories . . .

You should consult an accountant as to the most favourable apportionments, although the other party will also have a view as to what is or is not acceptable.

	•••••
5.	Items to be delivered at Completion
	We have provided a long menu • • • • • • • • • • • • • • • • • • •
6.	Completion
	Strictly speaking, a novation is required with each creditor and debtor. In a normal business sale it would
7.	Stocks and debtors
	Stocks can be anything, so the agreement is drawn in \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare

8.	Creditors and Liabilities
	You can edit to what you • • • , • • • • • • • • • • • • • • •
	,
9.	Goods and Services Tax (GST)
Sale	e of business as going concern from one
10.	Future Activities
	Even if you do not expect the seller to

seller will not compete and will say only good things about the buyer and the

The buyer should never take the seller's word for the proposition that the

	business. • • • • • • • • • • • • • • • • • •
11.	Miscellaneous matters
	Leave all these

End of notes