UK-COMbsl09

Sale agreement: building & construction business

Date: [date]

Between:

The Buyer is: [name] ■ ■ ■ ■ [■ ■ ■ ■]

The Seller is: [name] ■ ■ ■ ■ [■ ■ ■ ■]

The Guarantor is: [name] ■ ■ ■ ■ [■ ■ ■ ■]

Contents

1. Definitions
2. Corporate seller provisions
3. Interpretation
4. Entire agreement
5. Buyer's acknowledgment of inspection
6. Agreement for Sale
7. Transfer of contracts
8. The Price
9. Items to be delivered to the Buyer at completion
10. Completion
11. Employees transferred
12. Stocks
13. Debtors
14. Creditors and liabilities
15. Value Added Tax (VAT)
16. Warranties by the Seller
17. Limitation of Seller's liability
18. Future activities
19. The Guarantee
20. Confidentiality
21. Publicity / Announcements
22. Damages not adequate
23. Miscellaneous matters

Schedule 1: Part 1: Freehold Property
Schedule 1: Part 2: Leasehold Property
Schedule 2: Assets
Schedule 3: Excluded Assets
Schedule 4: Warranties
General
Accounts
Assets
Trading and contracts
Employees
Statutory restrictions
Litigation and regulation
Freehold and leasehold Properties
Personal data protection
Intellectual Property
Information technology ("IT")
Schedule 5: Press release

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

This agreement is dated: [date]

Personal version:

The Buyer is: [name]

Of [private address]

The Seller is: [name]

Of [private address]

The First Guarantor is: [name]

Of [private address]

The Second Guarantor is: [name]

Of [private address]

OR

Corporate version (use for an LLP too)

The Buyer is: ABC Limited, a company incorporated in England and Wales [under company registration number [number] ■ ■ ■ ■] ■ [■ ■ ■ ■ ■ ■ ■ ■ ■].

The Seller is: DEF Limited, a company incorporated in England and Wales [under company registration number [number] ■ ■ ■ ■] ■ [■ ■ ■ ■ ■ ■ ■ ■ ■].

The First Guarantor is: [name]

Of [private address]

The Second Guarantor is: [name]

Of [private address]

NOTE:

© Andrew Taylor and Net Lawman Ltd

*The personal version is for an individual seller and not a company seller. Delete whichever does not apply. Do the same for the buyer. Throughout this agreement, we have assumed that the seller is an individual, but ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

	information about the Intellectual Property, the Know-how and all ■ ■ ■

	owned by the Seller but ■ .
"Goodwill"	means the goodwill in relation to the Business, being goodwill of the Seller until ■ .
"Intellectual Property"	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of all kinds coming into existence after today, and including patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, Know-how, creations ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

"Stocks"	means stocks of Products, raw materials, work in progress and finished goods, and goods for re-sale owned by the Seller for the purposes of or in connection with the Business, including [redacted], [redacted], [redacted].
"Third Party Software"	means software owned by some person other than the Seller and used [redacted].
"Warranty/Warranties"	means the warranties and undertakings of the Seller set out [redacted].
"Website"	means www.[URL] and www.[URL] and includes any additional web pages and all software now or previously used in [redacted].

2. Corporate seller provisions

If the Seller is a company or other non-human legal [redacted], [redacted]:

2.1 Every reference to the Seller shall be interpreted as a reference to the Seller or the Company [redacted].

2.2 The Business may constitute all or part of [redacted].

2.3 Every reference to the Business shall be interpreted as a reference to that part and those assets of the Company [redacted].

2.4 Every reference to the Company shall be interpreted as a reference [redacted].

© Andrew Taylor and Net Lawman Ltd

3. Interpretation

This agreement shall be interpreted as [redacted] .

3.1 A reference to one [redacted] .

3.2 In connection with any benefit given by [redacted] , [redacted] , [redacted] .

3.3 A reference to a person includes reference to that person's successors, legal representatives, [redacted] , [redacted] , [redacted] - [redacted] .

3.4 A reference to the knowledge, information, belief or awareness [redacted] , [redacted] , [redacted] .

3.5 A reference to a paragraph or schedule is to [redacted] . [redacted] .

3.6 The headings to the paragraphs and schedules ([redacted]) [redacted] .

3.7 Any agreement by any party not to do or [redacted] .

3.8 [Except where stated otherwise], [redacted] ;

3.9 A reference to the knowledge, information, belief or awareness [redacted] , [redacted] , [redacted] .

3.10 A reference to an act or [redacted] .

© Andrew Taylor and Net Lawman Ltd

3.11 All money sums mentioned in this [redacted] , [redacted] .

4. Entire agreement

4.1 Each party acknowledges that this agreement and the Disclosure Letter [redacted] , [redacted] , [redacted] .

4.2 So far as any relevant law permits, conditions, [redacted] , [redacted] .

4.3 Each of the parties warrants that he [redacted] [[redacted]].

4.4 The Seller warrants and undertakes that he is not [redacted] .

5. Buyer's acknowledgment of inspection

The Buyer admits that:

5.1 the Assets agreed to [redacted] ; [redacted]

5.2 he enters into this agreement on the basis of that inspection and not in reliance on [redacted] , [redacted] [[redacted]].

6. Agreement for sale

6.1 Subject to the terms of this agreement, [redacted] :

© Andrew Taylor and Net Lawman Ltd

6.1.1 the Goodwill;

6.1.2 the Property;

6.1.3 the Stocks;

6.1.4 the Intellectual Property rights;

6.1.5 the Domain Name(s);

6.1.6 the Website;

6.1.7 rights to use Third Party Software;

6.1.8 the benefit of the Contracts;

6.1.9 all other Assets owned by [redacted], [redacted].

6.2 Completion shall take place today, [redacted].

6.3 The assignment of the leasehold [redacted] 2 [redacted] 1.

6.4 The transfer of the freehold Property [redacted] 1 [redacted] 1.

7. Transfer of contracts

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

7.1 enter into any novation agreement.

7.2 provide information about any [redacted] [[redacted]] [redacted].

7.3 confirm to any person or governmental authority such details [redacted].

© Andrew Taylor and Net Lawman Ltd

7.4 immediately inform the [redacted].

8. The Price

8.1 The Price for the Business shall [redacted]:

Goodwill	£ [ ]
Freehold Properties	£ [ ]
Leasehold Properties	£ [ ]
Assets	£ [ ]
Intellectual Property rights	£ [ ]
Contracts and all other property	Nil
The Stocks	To be ascertained
Total Price [excluding Stock]	**£ [ ]**

8.2 Insofar as this agreement provides for the transfer to the Buyer of [redacted] - [redacted], [redacted].

8.3 The Price shall be paid as follows:

8.3.1 as to £ [amount], by banker's draft / [redacted].

8.3.2 as to the [redacted], [redacted].

8.4 If the assignment of the Lease cannot be completed today, [redacted] / [redacted] £ [[redacted]] [redacted].

© Andrew Taylor and Net Lawman Ltd

8.5 Value added tax will [redacted]:

[list property on which VAT payable]

OR

8.6 The Price [redacted].

9. Items to be delivered to the Buyer at completion

The Seller shall hand to the Buyer or otherwise deliver [redacted], [redacted], [redacted]:

9.1 whatever the [redacted];

9.2 all books [redacted], [redacted];

9.3 computer programmes [redacted];

9.4 all data in electronic form, [redacted];

9.5 all information and records relating to customers and suppliers, including a list of all the [[redacted]] [redacted] [[redacted]], [redacted];

9.6 complete records relating to Employees, [redacted], [redacted] [6] [redacted].

9.7 signed and certified copy of the minutes of a meeting of the shareholders of the Company authorising [redacted] [[redacted]];

9.8 assignment of the leasehold Property [unless [redacted], [redacted]];

© Andrew Taylor and Net Lawman Ltd

9.9 transfers of the freehold [redacted] [redacted] [redacted];

9.10 forms of transfer of [redacted] [redacted];

9.11 transfers of the [redacted], [redacted] [redacted];

9.12 forms of authority addressed to [redacted] [redacted], [redacted].

9.13 all technical and [redacted] - [redacted], [redacted];

9.14 a list of sales distributors and agents, identifying sales [redacted] [redacted], [redacted] [redacted];

9.15 policies of insurance, continuing;

9.16 all other [redacted].

10. Completion

10.1 As soon as the items listed above have passed into the possession [redacted], [redacted] [redacted], [redacted].

10.2 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. [redacted] [redacted].

10.3 As soon as possible and in any event within [two days] from today, [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted], [redacted].

10.4 The Seller has a continuing obligation to do what is [redacted], [redacted] - [redacted], [redacted].

10.5 The Buyer shall not be obliged to [redacted].

10.6 If any or all of the transactions set out in this paragraph do not [redacted], [redacted].

11. Employees transferred

11.1 The parties agree that with effect from today, the [redacted].

11.2 The Buyer agrees to indemnify the Seller against any [redacted].

12. Stocks

12.1 For the purpose of [redacted], [redacted] £ [[redacted]].

OR

12.2 The parties shall within [14 days] of jointly attend to the valuation of the Stocks [redacted], [redacted].

© Andrew Taylor and Net Lawman Ltd

AND

12.3 Any dispute as to the value of the Stocks shall be referred for final settlement to a firm of [chartered accountants] nominated jointly by the Seller and the Buyer. The accountants shall be [redacted].

AND

12.4 The amounts agreed or decided under the last previous sub-paragraph [redacted].

12.5 The Seller shall be liable for [redacted].

13. Debtors

13.1 The Buyer shall use all reasonable effort to collect the debts on [redacted].

13.2 If it becomes apparent to the Buyer that recovery of any of the book debts is not likely to be possible within [redacted].

13.3 Where a debtor who has so failed to pay, is [redacted].

© Andrew Taylor and Net Lawman Ltd

13.4 Unless the debtor shows a contrary intention when making payment, [redacted], [redacted], [redacted].

13.5 The Seller may inspect the books of the Buyer for [redacted] [12 [redacted]] [redacted].

14. Creditors and liabilities

14.1 The Seller shall immediately discharge all the debts of the [redacted], [redacted].

OR

14.2 The Seller shall remain liable for all claims by third parties in respect of any [Product/Services] supplied by the Seller or any act or omission of the Seller prior [redacted], [redacted]. [redacted]. [redacted].

14.3 After today, the Buyer must discharge the outstanding obligations and liabilities of the Seller under the Contracts, [redacted]. [redacted].

14.4 The Buyer shall not be liable for any breach of any contract by the [redacted]. [redacted], [redacted].

© Andrew Taylor and Net Lawman Ltd

15. Value Added Tax (VAT)

15.1 The parties shall procure that the sale of the Business is deemed to be [redacted] 1994 , [redacted] 49 [redacted] 4 [redacted] 8 (1)([redacted]).

15.2 The Seller shall immediately deliver to the Buyer such value added [redacted] 1994 , [redacted] 49 [redacted] .

15.3 The Buyer shall for a period of not less than [6 years] [redacted] , [redacted] , [redacted] .

16. Warranties by the Seller

16.1 The Seller warrants to the Buyer that:

16.1.1 the Warranties set [redacted] [4] [redacted] ;

16.1.2 the Disclosures are true, accurate and comprehensive;

16.1.3 where any Warranty refers to the knowledge, information [redacted] , [redacted] .

16.1.4 where the subject matter of a Warranty may refer both to the [redacted] , [redacted] .

16.2 The Seller agrees to indemnify the Buyer against all costs claims and [redacted] .

© Andrew Taylor and Net Lawman Ltd

16.3 The Warranties in this agreement are not [redacted].

OR

16.4 The Warranties in this agreement are not limited in monetary value, but no claim [redacted], [redacted] [[redacted]] [redacted]. [redacted].

17. Limitation of Seller's liability

17.1 Except in the case of death or personal injury, the total liability of the Seller under [redacted], [redacted], [redacted] £ [100 , 000]. [redacted], [redacted].

17.2 This paragraph (and any other paragraph which excludes or restricts the liability of the Seller) applies to the Seller's directors, [redacted], [redacted], [redacted], [redacted] ([redacted] ([redacted]) [redacted] 1999 / [redacted] ([redacted]) ([redacted]) [redacted] 2017 , [redacted].

18. Future activities

In order to give the [redacted], [redacted]:

18.1 commence or continue any business or activity whatsoever [redacted] [3] [redacted].

18.2 within [three years] of today, promote, make or sell any product or service which competes with [redacted] [[redacted]] [redacted]. [redacted], [redacted].

© Andrew Taylor and Net Lawman Ltd

18.3 within [three years] of today, employ or provide work [redacted] , [redacted] [redacted] [redacted] [redacted] .

18.4 trade under any name [redacted] .

18.5 register nor purchase nor use any Internet domain [redacted] .

19. The Guarantee

19.1 [Each of] [redacted] :

19.1.1 that every statement, [redacted] ;

19.1.2 that he will procure [redacted] ;

19.1.3 that he will indemnify the Buyer against all [redacted] , [redacted] ;

19.2 [Each of] The Guarantor accepts that compliance by the [redacted] , [redacted] .

19.3 [Each of] The Guarantor accepts that the Buyer is [redacted] .

19.4 This guarantee is limited to:

19.4.1 the sum of [sum] in total;

19.4.2 claims notified to [redacted] [[redacted]] [redacted] .

© Andrew Taylor and Net Lawman Ltd

20. Confidentiality

20.1 The Seller now undertakes that he will:

20.1.1 except as provided in this [redacted] , [redacted] , [redacted] ;

20.1.2 not use the Confidential [redacted] ;

20.1.3 not use any name or mark similar [redacted] ;

20.1.4 not use any trade name or [redacted] .

20.2 This paragraph does not apply to disclosure to the extent required under the rules of any stock exchange or by applicable [redacted] . [redacted] .

20.3 The obligations set out in this paragraph [redacted] .

20.4 The provisions of this paragraph shall continue [redacted] [[redacted]] [redacted] .

21. Publicity / Announcements

21.1 No public or press announcement shall be made [redacted] .

OR

21.2 No party shall:

21.2.1 make any public announcement; or

© Andrew Taylor and Net Lawman Ltd

21.2.2 disclose any information; or

21.2.3 allow expressly or by default any other person [redacted].

except, that no party shall be prohibited from making [redacted] [redacted].

21.3 The parties agree to the issue of [redacted] 5 , [redacted] .

22. Damages not adequate

Without prejudice to any other rights or remedies which a party may have, the parties now acknowledge and agree that damages would not be an adequate remedy for [redacted] , [redacted] [redacted]] [redacted] , [redacted] , [redacted] , [redacted] [redacted] / [redacted]] [redacted] .

23. Miscellaneous matters

23.1 No amendment or variation to this agreement [redacted] , [redacted] .

23.2 The parties acknowledge and agree that this [redacted] .

23.3 So far as any time, [redacted] , [redacted] .

23.4 If any term or provision of this agreement is at any time held by any jurisdiction to be void, invalid or unenforceable, then it shall be treated [redacted] , [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted].

23.5 The rights and obligations of the [redacted].

23.6 Any obligation in this agreement [redacted].

23.7 No failure or delay by any party to exercise any right, [redacted].

23.8 The parties agree that [redacted].

23.9 Any communication to be served on either party by [redacted].

It shall be deemed to have been delivered:

if delivered [redacted];

if sent by post [redacted] 72 [redacted];

if sent by e-mail to the address from which the receiving party has last sent e-mail: within 24 hours [redacted].

23.10 In the event of a dispute between the parties to this agreement, [redacted].

23.11 Unless otherwise stated, this agreement does not give any right to any third party under the Contracts (Rights of Third Parties) Act 1999 /

© Andrew Taylor and Net Lawman Ltd

Contracts ([redacted]) ([redacted]) [redacted] 2017 [redacted], [redacted], [redacted], [redacted], [redacted], [redacted]. [redacted].

23.12 In the event of any conflict between any term of this agreement and the [redacted], [redacted].

23.13 Each party shall bear his own legal [redacted].

23.14 This agreement may be executed in multiple counterparts each [redacted].

23.15 The validity, construction and performance of this agreement shall be governed by [redacted] [[redacted] / [redacted] / [redacted]] [redacted].

Signed by [personal name] on behalf of [named Seller] as its / his representative who personally accepts liability for the proper authorisation by [named Seller] to enter into this agreement.

Signed by [personal name] on behalf of [named Buyer] as its / his representative who personally accepts liability for the proper authorisation by [named Buyer] to enter into this agreement.

© Andrew Taylor and Net Lawman Ltd

Signed by [personal name] on behalf of [named Guarantor] as its / his representative who personally accepts liability for the proper authorisation by [named Guarantor] to enter into this agreement.

OR

Signed by [Seller name in full]

AND

Signed by [Buyer name in full]

AND

Signed by [Guarantor name in full]

© Andrew Taylor and Net Lawman Ltd

Schedule 1: Properties

Part 1: Freehold Properties

*[■■■■■■■■■■■■■■■■■■, ■■■■■■■■■■■■■■■■■■, ■■■■■■■■■■■■■■■■■■■■■■■■■■, ■■■■■■■■■■■■■■■■■■■

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

© Andrew Taylor and Net Lawman Ltd

Schedule 1 Part 2: Leasehold Property

[redacted]. [redacted] *50* [redacted].

[[redacted]*,* [redacted]*(*[redacted]*),* [redacted]*,* [redacted]*]*

1. [redacted].

2. [redacted] [redacted] [redacted].

3. [redacted], [redacted], [redacted].

4. [redacted].

OR

5. [redacted] £ [redacted] [redacted], [redacted].

6. [redacted], [redacted], [redacted], [redacted] - [redacted] - [redacted].

7. [redacted], [redacted].

OR

© Andrew Taylor and Net Lawman Ltd

8. [redacted]

AND

9. [redacted]:

9.1 [redacted];

9.2 [redacted];

9.3 [redacted].

9.4 [redacted].

9.5 [redacted][7 [redacted]] [redacted].

9.6 [redacted].

© Andrew Taylor and Net Lawman Ltd

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

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

© Andrew Taylor and Net Lawman Ltd

Schedule 2: Assets

[list assets]

© Andrew Taylor and Net Lawman Ltd

Schedule 3: Excluded Assets

[list excluded assets]

© Andrew Taylor and Net Lawman Ltd

Schedule 4: Warranties

*[■■■

9. [redacted] [redacted].

10. The Accounts:

10.1. [redacted];

10.2. [redacted], [redacted];

10.3. [redacted] 2006, [redacted];

10.4. [redacted].

11. [redacted]:

11.1. its purchase price;

11.2. its production cost;

11.3. its net realisable value.

12. [redacted], [redacted].

13. [redacted], [redacted], [redacted]; [redacted]

13.1. [redacted];

13.2. [redacted],

13.3. [redacted].

14. [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted], [redacted]. [redacted].

Assets

15. All Assets:

    15.1. are transferred by this agreement and

    15.2. [redacted], [redacted];

    15.3. [redacted];

16. [redacted] [[redacted] £ [[redacted]]] [redacted] [[redacted]] [redacted].

Trading and contracts

17. [redacted] - [redacted] - [redacted].

18. [redacted].

19. [redacted], [redacted]

20. [redacted].

21. [redacted] [[redacted] / [redacted]], [redacted].

22. [redacted] [25] [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted] [25] [redacted].

23. [redacted] [redacted] [redacted], [redacted].

24. [redacted] [redacted].

25. [redacted], [redacted], [redacted], [redacted].

26. [redacted], [redacted].

27. [redacted].

28. [redacted].

Employees

29. The Disclosure Letter contains for each Employee:

    29.1. an employment history;

    29.2. a curriculum vitae;

    29.3. terms of employment;

    29.4. non-contractual matters and informal arrangements.

30. [redacted].

31. [redacted] - [redacted].

32. [redacted] [redacted] [redacted], [redacted]

© Andrew Taylor and Net Lawman Ltd

[%].

33. [ ] .

34. £ [ ] .

35. The Seller is involved in no employment dispute.

36. , .

37. , , ., .

38. .

39. [50] .

Statutory restrictions

40. - , 1980 2002 .

41. , .

42. .

Litigation and regulation

© Andrew Taylor and Net Lawman Ltd

43. [redacted].

44. [redacted], [redacted].

45. [redacted].

Freehold and leasehold Properties

46. [redacted] [1].

47. [redacted].

48. None of the Properties is:

    48.1. [redacted];

    48.2. situated in a conservation area;

    48.3. [redacted];

    48.4. in an area liable to flooding.

49. [redacted] [4] [redacted], [redacted].

50. [redacted].

51. [redacted], [redacted] - [redacted].

52. [redacted].

53. [redacted], [redacted].

© Andrew Taylor and Net Lawman Ltd

54. [redacted].

55. [redacted].

56. [redacted]:

56.1. [redacted];

56.2. [redacted].

57. [redacted]:

57.1. water;

57.2. drainage;

57.3. electricity;

57.4. gas;

57.5. telecommunications.

58. [redacted].

59. [redacted].

60. [redacted]:

60.1. [redacted];

60.2. [redacted].

© Andrew Taylor and Net Lawman Ltd

60.3. there are no rent reviews in progress.

61. [redacted], [redacted], [redacted], [redacted]-[redacted] [redacted].

Personal data protection

62. [[redacted]] [redacted] 2018 .

63. [[redacted]] [redacted], [redacted] [redacted].

Intellectual Property

64. [redacted], [redacted] [redacted].

65. [redacted] [redacted].

66. [redacted] [redacted].

67. [redacted] [redacted].

68. [redacted] [redacted].

69. [redacted] [redacted].

70. [redacted]-[redacted] [redacted].

Information technology ("IT")

71. [redacted]:

© Andrew Taylor and Net Lawman Ltd

71.1. the name;

71.2. name and contact information of registrant;

71.3. [redacted];

71.4. date to which the name is registered.

72. [redacted].

73. [redacted];

74. [redacted].

75. [redacted]:

75.1. [redacted];

75.2. technical, customer and client support services;

75.3. [redacted];

75.4. an email service provider.

76. [redacted]12 [redacted].

77. [redacted].

78. [redacted].

© Andrew Taylor and Net Lawman Ltd

79. [redacted], [redacted]:

79.1. [redacted];

79.2. what password he uses;

79.3. [redacted].

79.4. [redacted].

End of Warranties

© Andrew Taylor and Net Lawman Ltd

Schedule 5: Press release

[Set down the text you have agreed].

© Andrew Taylor and Net Lawman Ltd

Explanatory notes:

Sale agreement: building & construction business

General notes

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

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 [redacted] - [redacted] . [redacted] .

5. Disclosure letter to be worked up

The agreement proposes that the disclosure letter is handed over at completion. It is - in the final accepted version. However, the buyer should obtain a draft disclosure letter as soon as ever possible. It will contain many matters for the buyer's further investigation. It is likely that [redacted] , [redacted] , [redacted] .

6. Real property references

If no real property is to change hands, delete all references to it. Otherwise, read on. A formal legal assignment of each property will be required. This document contains a form of assignment of leasehold in the first schedule. It should be repeated for each [redacted] . [redacted] .

7. Use a solicitor for conveyancing

A freehold property can be transferred only by a suitable form of transfer, for which you will need help from a solicitor or licensed conveyancer. However, a large part of the work of a conveyancer is spent in preliminary matters and drawing the agreement for sale which usually precedes the transfer document, signed at "completion". The answers to the usual preliminary enquiries are covered by the warranties. The buyer should make sure that the replies in the disclosure letter are accurate and avoid "fudge". You may need to add more warranties [redacted] : [redacted] , [redacted] , [redacted] . [redacted] .

8. Initial extra pages

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

9. Recognition of our copyright in this document

© Andrew Taylor and Net Lawman Ltd

We assert our copyright in this document. When you downloaded it, you agreed to our terms and conditions, which set out in full how it may and may not be used. Without amending those terms, we remind you that you may not distribute it further or republish it in any way without permission from Net ■ ■ ■ ■ . ■ ■ ■ ■ , ■ - ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ .

3. 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. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

- Goodwill
- Leasehold property
- Freehold property
- Assets
- Intellectual Property
- Stock for sale or manufacture

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. It may be necessary to obtain clearance from HM Revenue and Customs in advance. This ■ ■ ■

■ ■ ■

*(a)all the transferor's rights, powers, duties and liabilities under or in ■ ■ ■

■ ■ ■

15. Value Added Tax (VAT)

First, be sure to apply to be registered for VAT before this agreement is signed, so that ■ ■ ■

(b)for any right of either of them to repayment or credit in respect ■ ■ ■

This paragraph - confirmation of the warranties - is critical to [redacted].

This paragraph provides for the warranties to be given by both the seller and the guarantor. In addition, in another paragraph, the guarantor guarantees the performance of the contract by the seller. The buyer's position against [redacted].

The guarantor may have a lesser interest than the legal seller, for example as a non-executive director of the seller, or as a relative of the seller if an individual. In that case, [redacted].

The extent of the guarantee can also be [redacted].

Generally, it is good practice to delete irrelevant warranties, but by all means leave in "tough" [redacted].

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 [redacted].

17. Limitation of Seller's liability

This paragraph limits the liability of the seller. This is a usual provision, but flexible, [redacted].

18. 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 [redacted].

© Andrew Taylor and Net Lawman Ltd

[redacted].

19. The Guarantee

This agreement is guaranteed by two individuals. If the seller is [redacted].

This is a very tough guarantee. It assumes that the guarantors are able to perform - that they are the people with whom you have negotiated your purchase. In court, a guarantee is usually treated as [redacted].

20. 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 [redacted].

21. Publicity / Announcements

Edit or delete.

22. Damages not adequate

Technical provision to prevent a judge from insisting on damages only, [redacted].

23. Miscellaneous Matters

A number of special points. We have identified each of these as important to protect you. Some are relevant to particular paragraphs in the document, some apply more [redacted].

© Andrew Taylor and Net Lawman Ltd

These are just as valid in law as if we had written them [redacted] .

Rights of Third Parties Act - We have provided reference of two [redacted] .

Notes on the schedules

Schedule 1, part 1:

To be certain that a freehold property is agreed to be sold [redacted] :

1. Accurately describes or refers to the subject property
2. Describes the buyer by name
3. Is signed by or for the seller
4. That the seller has authority to sell
5. That the [redacted]
6. We have [redacted] .

The law Society's Standard Conditions of Sale are obtainable from [redacted] .

The contract is usually completed sometime later, [redacted] .

Schedule 1, part 2:

Leasehold property: we have provided a full leasehold assignment document, [redacted] .

© Andrew Taylor and Net Lawman Ltd

However, the seller should also require a document in which the landlord gives his consent to the assignment [redacted].

Schedule 2 - Assets

List assets to be sold

Schedule 3 - Excluded Assets

List excluded assets

Schedule 4 - Warranties:

Note: matters relating to warranties

To use this document you have to understand how warranties work. [redacted].

Warranties - the inside-out promises

I will now address the task itself and tell you how to make it happen. The first matter to consider [redacted].

The agreement is drawn by the buyer. That is fair because the buyer knows nothing about the business and the seller knows everything (we hope)! So the [redacted].

© Andrew Taylor and Net Lawman Ltd

[redacted], [redacted].

Warranties work like this: I am a [redacted]. [redacted]. [redacted], [redacted] ([redacted]) [redacted], [redacted] 60 [redacted].

The letter of disclosure is the other “half” of the process. In my letter of disclosure, I refer in turn to each of the warranties you [redacted]. [redacted], [redacted]. [redacted]. [redacted]. [redacted] “[redacted]”. [redacted], [redacted] ([redacted]) [redacted].

In that way, before he can sue you, the buyer has to [redacted], [redacted]. [redacted]. [redacted]:

“Where any warranty refers to the knowledge, information [redacted], [redacted]”. [redacted], [redacted], [redacted]!

Suppose the seller warrants:

“Neither the seller nor any of its shareholders [redacted]*,* [redacted]*,* [redacted]*.”*

The reply to this [redacted].

Now, finally, let us suppose the warranty had not been in the draft agreement at all. This is what would have happened: [redacted]. [redacted], [redacted]. [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted] . [redacted] , [redacted] .

You may find aspects of my illustration to be immoral. That may [redacted] . [redacted] , [redacted] . [redacted] , [redacted] .

Warranties - seller's tactics

The "task" of the seller is essentially to provide full and truthful information and to [redacted] . [redacted] , [redacted] . [redacted] . [redacted] " [redacted] " [redacted] .

As a seller, [redacted] :

- You be the one to [redacted] " [redacted] " [redacted] ; [redacted]
- When you receive the draft [redacted] , [redacted] ; [redacted]
- in your draft disclosure letter, which [redacted] , [redacted] ; [redacted]
- Consider the breadth of each warranty. [redacted] , [redacted] ; [redacted]
- Even where you "answer" the warranty in some [redacted] , [redacted] " [redacted] " [redacted] " [redacted] ";
- At all costs avoid the easy way out of leaving the warranties [redacted] . [redacted] , [redacted] , [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted].

Warranties - buyer's response

If you want a fair and satisfactory outcome, use warranties. [redacted]. [redacted]. [redacted]. [redacted], [redacted]. [redacted].

However, if your warranties are all "absolute" in matters where it is unreasonable to expect the seller to [redacted], [redacted], [redacted], [redacted]. [redacted]. [redacted]. [redacted] "[redacted]" [redacted], [redacted].

Set out the warranties according to the transaction. Do not include warranties which [redacted], [redacted]. [redacted], [redacted] - [redacted]!

If the seller is represented by a solicitor, you will have to decide whether this creates an unlevel playing field. [redacted] "[redacted]" [redacted]". [redacted]". [redacted]".

Some solicitors acting for a buyer will see the provision of warranties as an opportunity to go back to [redacted], [redacted]. [redacted], [redacted].

Warranties: drafting notes continued

It is good practice to delete irrelevant warranties, [redacted] "[redacted]" [redacted]. [redacted] "[redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted] ” [redacted] .

General

These are very [redacted] . [redacted] .

With reference to licences and consents: in any business which has been operating for more [redacted] , [redacted] . [redacted] , [redacted] , [redacted] .

Accounts

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

Assets

The most important answers sought here are as [redacted] . [redacted] . [redacted] !

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 [redacted] . [redacted] . [redacted] / [redacted] . [redacted] / [redacted] , [redacted] ([redacted]) [redacted] .

The buyer’s requirement for details of customers and suppliers will be [redacted] 1 , 000 [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted]

The most common reason for litigation about contracts arises because someone, [redacted]

Employees

You may wish to read the Net Lawman article on transfer of business ownership at http://www.netlawman.co.uk/ia/transfer-undertakings-guidance-employers.The proposition in law is that the transfer of the ownership of any employment establishment ("undertaking") is not a satisfactory reason to terminate the employment of any employee. Employees are handed over with their employment history intact, for better or for worse.

Despite these extensive [redacted]

Statutory restrictions

These warranties are general, [redacted]

Litigation and regulation

We have no comment

Freehold and leasehold Properties

Most of these items cover the facts that would be [redacted]

Personal data protection

We suggest leave it as is.

Intellectual Property

All businesses acquire some intellectual property. Even quite small [redacted]

© Andrew Taylor and Net Lawman Ltd

[redacted]

Information technology ("IT")

These are of course an item of intellectual property. We have placed them under a separate heading to [redacted]

Schedule 5: Press release

Provide text or delete if not required

End of notes

© Andrew Taylor and Net Lawman Ltd