# Business sale agreement: sports coach or personal trainer

Date: [date]

Between:

The Buyer is:  $[name] \blacksquare \blacksquare \blacksquare [\blacksquare \blacksquare \blacksquare]$ 

The Seller is:  $[name] \blacksquare \blacksquare \blacksquare [\blacksquare \blacksquare \blacksquare]$ 

The Guarantor is:  $[name] \blacksquare \blacksquare \blacksquare [\blacksquare \blacksquare \blacksquare]$ 

### **Contents**

- 1. Definitions
- 2. Interpretation
- 3. Entire agreement
- 4. Agreement for Sale
- 5. Transfer of contracts
- 6. The Price
- 7. Items to be delivered at completion
- 8. Completion
- 9. Creditors and liabilities
- 10. Value Added Tax (VAT)
- 11. Warranties by the Seller
- 12. Future activities
- 13. Confidentiality
- 14. Publicity / Announcements
- 15. Miscellaneous matters

Schedule 1: Assets Schedule 2: Warranties

Accounts

Personal data protection Intellectual Property

Information technology ("IT")

Schedule 3: 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:

" <b></b>	
	"
we have assumed that the seller is an individual, but ■ ■	
whichever does not apply. Do the same for the buyer. The	hroughout this agreement,
The personal version is for an individual seller and not a	company seller. Delete

## It is now agreed as follows:

## 1. Definitions

So far as the context perm	nits, 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
"Last Accounts Date"	means the date to which the Accounts have $\blacksquare$ $\blacksquare$
"Assets"	means all tangible and intangible assets whatever, owned by the •••••••••••••••••••••••••••••••••••
"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, including any information which may give a commercially competitive advantage to •••••••••••••••••••••••••••••••••••
	information about employees, their performance and ••••••,
	data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer • • • • • • • • • • • • • • • • • • •

	information about the Intellectual Property, the Know-how and all ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	information created or arising from this agreement;
	information owned by a third party and in respect of which the Seller ••••••••••••••••••••••••••••••••••
	information, comment or implication published on
	data or information relating to pre-clinical and clinical trial results, processes, formulae, procedures, designs, drawings, apparatus, ••••••••••••••••••••••••••••••••••••
"Contracts"	means current contracts of the •••••••••••••••••••••••••••••••••••
"Creditors"	means trade creditors and accrued
"Disclosures"	means the
"Disclosure Letter"	means the disclosure letter of the
"Domain Name"	means any •••••••••••••••••••••••••••••••••••
	[name1].com
	[name2].com
	[name3].co.uk
"Employee/Employees"	means a person who

"Excluded Assets"	means the Assets listed in Schedule 3
"Goodwill"	means the goodwill in relation to the  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,
"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
"ISP"	means the Internet service provider;
"Know-how"	means scientific or technical information, and
"Lease"	means the lease or leases
"Payment Service Provider"	means the banking intermediary who provides
"Price"	means the
"Products / Services"	means the products

"Prop	erty/Properties"	means the freehold or leasehold properties, $\blacksquare$
"Stocks"		means stocks of Products, raw materials, work in progress and finished goods, and goods for ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
"Thirc	l Party Software"	means software owned by some
"Warr	anty/Warranties"	means the warranties and undertakings of the
"Web	site"	means www.[URL] and www.[URL] and
Inte	rpretation	
This a	agreement = = = = =	
2.1.	A reference to one	
2.2.	In connection with a	any benefit given by
2.3.	A reference to a pe	rson includes reference to that person's successors,

. . . . . . . . . . . . . . . . . , . . . , . . . . . . . . . .

2.4.	A reference to the knowledge, information, belief or awareness
2.5.	A reference to a paragraph or schedule is to •••••••••••••••••••••••••••••••••••
2.6.	The headings to the paragraphs and schedules ( • • • • • • • ) • •
2.7.	Any agreement by any party not to do or
2.8.	A reference to an act or
2.9.	All money sums mentioned in this ••••••••••••••••••••••••••••••••••••
2.10.	This agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any
Enti	re agreement
3.1.	Each party acknowledges that this agreement and the Disclosure  Letter
3.2.	The Seller warrants and undertakes that he is not

4.	Agr	eeme	nt for sale
	4.1.	The Bu	uyer admits • • • • • • • • • • • • • • • • • • •
	4.2.	This a	greement, Warranties, ••••••••••••••••••••••••••••••••••••
	4.3.	Subjec	et to the terms of this agreement,
		4.3.1	the Business as a going concern;
		4.3.2	the Assets;
		4.3.3	the Stocks;
		4.3.4	the Intellectual Property rights;
		4.3.5	the Domain Name;
		4.3.6	the Website;
		4.3.7	all other Assets owned by •••••••••••••••••••••••••••••••••••
	4.4.	Compl	etion shall take place today, •••••••.
5.	Tra	nsfer (	of contracts
	The S	Seller un	dertakes that for a period of [three] years, he will do his utmost ■
	•		,
	5.1.		nto any novation agreement.
	5.2.	provide	e information about any •••••••••••••••••••••••••••••••••••

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

 $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare .$ 

5.3.	confirm to any person or governmental authority su	ch detai ■ ■ ■ ■	
	•••	••••	
5.4.	immediately inform the	••••	•••••
The	Price		
6.1.	The Price for the Business shall		
	Goodwill	£[	]
	Assets	£[	1
	Intellectual Property rights	£[	1
	Contracts and all other property	Nil	
	The Stocks	To be	ascertained
	Total Price [excluding Stock]	£[	1
6.2.	The Price shall be paid as follows:		
	6.2.1 as to £ [amount], by banker's draft / • • • • • • • • • • • • • • • • • •		•••••
	6.2.2	••••	,
6.3.	£[].		
6.4.			•••••

[list property on which VAT payable].

OR

6.5.

.

### 7. Items to be delivered at completion

7.1.

7.2.

7.4.

7.5.

7.6. marketing material of every sort in any medium.

## 8. Completion

8.2.

													•										1 =	
												- 1												
																							 	_
					-	-	_	-		-	-			-	-		-	-	-	_	-	-	 . =	-
	•••		•																					
8.3.							_												_	_	_	_	 	
					-																			
						•	•	•	•															
8.4.																				•		<b>.</b>	ı <b>=</b>	
										- 1														
				•																			•	
														_	-		_	_	_			_ '	-	
					•		-				•													
8.5.																								
																				_		_		
						_		_		_	_			_			_	_	•					
8.6.							- 1					- 1				- 1								
												_												
	, = = :																							
																					_		_	
						_	-	-		_	_	-		_	_		_	-	_	•				
Croc	ditors		<b>2</b> 4	lia	hil	i4i,	00																	
Ciec	aitOi s	o ai	IU	IIa	IJΠ	ינוי	53																	
9.1.							_				_	_		_				_			_	_		
0.1.														_										
	•••					•						•									•	•	. =	
																■ .								
9.2.																<b>.</b>								
<b>-</b> -																							-	_
						- <b>-</b>		- <b>-</b>			_	<b>-</b>			-			_	_	_	_	<b>-</b>		-
	_				I	_	- I	_	_		_	= ! -		_	_	= 1 		_	_	_	=	<b>=</b>	. <b>=</b>	-
						•						- 1	-										<b>!</b> =	

9.3.	
	■.
Valu	ie Added Tax (VAT)
10.1.	
	4 = = = 8 ( 1 )( = = = ).
10.2.	
	49
10.3.	
	,
	,
War	ranties by the Seller
11.1.	The Seller warrants to the Buyer that:
	11.1.1
	11.1.2 the Disclosures are true, accurate and comprehensive;
	11.1.3
11.2.	

								$\blacksquare$	 	 		
						■ ■ .						
44.0												
11.3.												
								■ .				
OR												
OIX												
11.4.									 	 		 
					<b>.</b>						[ •	- ] -
											-	-
									 	 ■ .		
<b>E</b> 11411	ire a	ctivii	line									
ı utu	ii e a	CLIVI	lic3									
					,				 	 	•	
12.1.									 	 		 
						■ ■ [	3]■		 			
				■ ■ .								
12.2.												
						_			_			
					-							 
				■ .								
100					_1_				 	 		 
12.3.												
				■ ■ [				- ] -		•.		
12.4.												
									 	 		 - <b>-</b>
								<b>-</b> ,				
12.5.										 		 

## 13. Confidentiality

13.1. The Seller now undertakes that he will:

13.1.1

13.2.

### 14. Publicity / Announcements

14.1.

14.2.

### 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:
15.9.	
15.10.	

Signed by [Seller name in full]

AND

Signed by [Buyer name in full]

# **Schedule 1: Assets**

[list assets]

Sch	edul	e 2: Warranties	
■ ■ ,			
Acco	unts		
1.			
2.	The A	Accounts:	
	2.1.		ı
	2.3.	2006	,
3.		:	
	3.1.	its purchase price;	
	3.2.	its production cost;	
	3.3.	its net realisable value.	
4.			
5.	:::	;	
	5.1.		1
	5.2.		 

	5.3.																		•				=
6.		• • •		•••	•••	•••	•••		 	•	•••	•			•		•	-	 	-	-		
Perso	nal dat	a pro	tectio	n																			
7.	[ • • • • 2018 .	•••																					
8.	[ • • •	•••	<b>-</b> - ]	••	•••	••	• •	• •		-	•	• •	•	• •	-		•	-	<b>.</b> ,	-	<b></b>	•	•
Intelle	ectual F	Prope	rty																				
9.												•											
10.	••••																					• •	•
11.	••••	•	•••	••	•••	••	•••			•				=	• •	•	•	• •	•	•	• •		•
Inforr	nation t	techn	ology	/ ("I	T")																		
12.			• • •		••												•	• ·	• • • :	•	<b>=</b>		•
	12.1.	the n	ame;																				
	12.2.	name	e and	con	tact	info	orma	atio	n o	f re	egis	stra	ınt;										
	12.3.			• • ·	1	••	••	• •	• •	■ ! ■ ,	<b>■ ■</b>				•		•	• •				•	-

12.4. date to which the name is registered.

3.	•••••••••••••••••••••••••••••••••••••••
4.	
	:
	14.1.
	14.2. technical, customer and client support services;
	14.3. •••••••••••••••••••••••••••••••••••
	14.4. an email service provider.
	<ul> <li>12</li> <li>2</li> <li>3</li> <li>4</li> <li>5</li> <li>6</li> <li>7</li> <li>8</li> <li>9</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>16</li></ul>

**End of Warranties** 

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

## **Schedule 3: Press release**

# **Explanatory notes:**

Business sale agreement: sports coach or personal trainer

### **General notes:**

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

#### 1. Parties named

In naming a party at the top of the document, use the personal version for any human person or people who are together a partnership, and the  $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$ 

#### 2. 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

#### 3. Warranties and disclosure letter

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

#### 4. 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

#### 5. Initial extra pages

In a document as complicated as this, it is good practice for all parties to initial Recognition of our copyright in this document 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 ■ ■ ............ Once you have edited the document for final use, you may remove the .............. **Document review service** If you would like our legal team to check your edited version, we ■ ■ ■ ■ Please contact our support team at support@netlawman.co.uk for further information.

# Paragraph specific notes

(Some points are covered in the Warranties ■ ■ ■ ■ ■ ■ ■ ■ ■

#### 1. Definitions

6.

7.

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

#### 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

#### 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, there is some yardstick for a claim. In most cases however, the basis for

- 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 ••••••••••••••••••••••••••••••••••••
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

7.

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

	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)
	First, be sure to apply to be registered for VAT before this agreement is signed, so that
	•••••
	The paragraph refers to Section 49 . ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ :
	Transfers of going concerns
	(1) Where a business , or part of a business, carried on ■ ■ ■ ■ ■ ■ ■ ■ ■
	**, ****—
	(a) for the purpose of determining whether the transferee is liable to be registered under this Act he shall be treated as having $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$
	(2) Without prejudice to subsection (1) above, the Commissioners may by regulations make provision for securing continuity in the application of this Act in cases where a business,

	(2A) Regulations under subsection (2) above may, in particular, provide for the duties under this Act of the transferor to preserve records relating to
(3) Reg ■ —	gulations under subsection (2) ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■
	(a )for liabilities and duties under this Act (excluding sections 59 to 70) of the transferor (other than the duties mentioned in ■ ■ ■ (2A) ■ ■ ■ ■ ● ● ● ● ● ● ● ● ● ● ● ● ● ● ●
	(b) for any right of either of them to repayment or credit in respect
	such provision as is mentioned in paragraph (a) or (b) of this ction shall have
(4) Su	bsection (5) = = = = = = = = = —
	(a) a business, or part of a business, carried on ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	(b )the transferor continues to be required under this Act to preserve for
(5) So	far as is necessary for the purpose of complying with the ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	(a) to give to E, within such time and in such form as ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	(b) to give to E, within such time and in such form as E may ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

	(c) to make the records available for E's inspection at such time and place as E = = = = = = = = = ( = = = = = = = = =
	(6) Where a business, or part of a business, carried on by a taxable person is transferred to another person as a going concern, the Commissioners may disclose
11.	Warranties by the Seller
	See later for full
	This paragraph - confirmation of the warranties - is critical to • • • • • • • • • • • • • • • • • •
	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
	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,
	The extent of the guarantee can also be •••••••••••••••••••••••••••••••••••
	Generally, it is good practice to delete irrelevant warranties, but by all means leave in "tough"
	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. The buyer may want to publicise the deal
15.	Miscellaneous matters
	A number of special points. We have identified each of these as important to

Notes on the schedules

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

Schedule 1

These are just as valid in ••••••••••••••••••••••

### List assets

## Schedule 2 - Warranties:

Note: matters relating to warranties
To use this document you have to understand how warranties work.
Warranties - the inside-out promises
l will now address the task itself and tell you how to make it happen. The first matter to consider ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
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 ■ ■ ■ ■ ■ ■
Warranties work like this: I am a ■ ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
,60
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
,

In that way, before he can sue you, the buyer has to
"Where any warranty refers to the knowledge, information • • • • • • • • • • • • • • • • • • •
Suppose the seller warrants:  "Neither the seller nor any of its shareholders
The reply to this   Now, finally, let us suppose the warranty had not been in the draft agreement at all. This is what would have happened:
You may find aspects of my illustration to be immoral. That may • • • • • • • • • • • • • • • • • • •
Warranties - seller's tactics  The "task" of the seller is essentially to provide full and truthful information and to avoid

As a seller	
•	You be the one to
•	When you receive the draft = = = , = = = = = = = = = = = = = = =
•	in your draft disclosure letter, which
•	Consider the breadth of each warranty.
•	Even where you "answer" the warranty in some • • • • • • • • • • • • • • • • • • •
•	At all costs avoid the easy way out of leaving the warranties
Warrantine	- buyer's response
	- buyer's response a fair and satisfactory outcome, use warranties. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
expect the s	your warranties are all "absolute" in matters where it is unreasonable to eller to •••••••••••••••••••••••••••••••••••

Set out the warranties according to the transaction. Do not include warranties which
If the seller is represented by a solicitor, you will have to decide whether this creates an unlevel playing field.
Some solicitors acting for a buyer will see the provision of warranties as an opportunity to go back to
Warranties: drafting notes continued
It is good practice to delete irrelevant warranties,
Accounts
The basis of valuation of the business is likely to have been the last audited annual
accounts,
·
accounts,
accounts,

**Intellectual Property** 

These are of course an item of intellectual property. We have placed them under a separate heading to
Information technology ("IT")
All businesses acquire some intellectual property. Even quite small

# **End of notes**