# Sale agreement: home based trading business

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:  $[name] \blacksquare \blacksquare \blacksquare [\blacksquare \blacksquare \blacksquare \blacksquare]$ 

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- 12. Value Added Tax (VAT)
- 13. Warranties by the Seller
- 14. Future activities
- 15. Confidentiality
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Schedule 2: Warranties

General Accounts Assets

Trading and contracts

Personal data protection

Information technology ("IT")

## 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] OR Corporate version 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] [private address] of NOTE: 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,

It is now agreed as follows:

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

## 1. Definitions

So far as the context perm	its, 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 $\blacksquare \blacksquare \blacksquare$
"Assets"	means all tangible and intangible assets whatever, owned by the
"Agent"	means a third party who has contracted to re-■ ■ ■ ■ ■ ■ ■ [ ■ ■ ■ ■ / ■ ■ ■ ].
"Business"	means the [type of business] business carried on by the Seller until this today under the name and
"Confidential Information"	means all information about the Business, including any information which may give a commercially competitive advantage to •••••••••••••••••••••••••••••••••••
	data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer • • • • ;
	information created or arising from this agreement;
	information, comment or implication published on
"Contracts"	means current contracts of the
"Creditors"	means trade creditors and accrued ■ ■ ■ ■ ■ ■

"Domain Name"	means any
	[name1].com
	[name2].com
	[name3].co.uk
"ISP"	means the Internet service provider;
"Payment Service Provider"	means the banking intermediary who provides
"Price"	means the •••••••••••••••••••••••••••••••••••
"Products/Services"	means the products • • • • • • • • • • • • • • • • • • •
"Stocks"	means stocks of Products, raw materials, work in progress and finished goods, and goods for
"Warranty/Warranties"	means the warranties and undertakings • • • • • • • • • • • • • • • • • • •
"Website"	means www.[URL] and www.[URL] and

2. Corporate	seller provisions
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If the ■■■	Seller is a = = = = = = = = = = = = = = - = = = =
2.1.	Every reference to the Seller shall be interpreted • • • • • • • • • • • • • • • • • • •
2.2.	The Business may •••••••••••••••••••••••••••••••••••
2.3.	Every reference to the Business shall be interpreted as • • • • • • • • • • • • • • • • • •
2.4.	Every reference to the Company • • • • • • • • • • • • • • • • • • •
	rpretation
This a	agreement = = = = = = = = = = = = = = = = .
3.1.	A reference to a person includes a <b>a a a a a a a a a a a a a a a a a a</b>
3.2.	A reference to one
3.3.	A reference to the knowledge, information, belief or awareness  ,
3.4.	A reference to a paragraph or schedule is to •••••••••••••••••••••••••••••••••••
3.5.	Any agreement by any party not to do or

3.6.		t where stated otherwise], • • • • • • • • • • • • • • • • • • •						
3.7.	All money sums mentioned in this							
Enti	ire agr	reement						
4.1.	Letter	arty acknowledges that this agreement and the Disclosure						
4.2.		as any relevant law permits, conditions,						
4.3.	[If the S	Seller is a company] Each of •••••••••••••••••••••••••••••••••••						
4.4.	The Se	eller warrants and undertakes that he is not						
		•						
Agr	eemer	nt for sale						
5.1.	Subjec	t to the terms of this agreement,						
		:						
	5.1.1	the Business as a going concern;						
	5.1.2	the Stocks;						
	5.1.3	intellectual property rights used in the business;						
	5.1.4	the Domain Name(s);						
	5.1.5	the Website;						

		**********
	5.2.	Completion shall take place today,
6.	Tra	nsfer of contracts
	The	Seller undertakes that for a period of [three] years, he will do his utmost
	•••	
	•••	
	6.1.	enter into any novation agreement.
	6.2.	provide information about any •••••••••••••••••••••••••••••••••••
	6.3.	confirm to any person or governmental authority such details
	6.4.	immediately inform the
7.	The	Price
	7.1.	The Price for the $\blacksquare$
	7.2.	The Price shall be paid by banker's draft / • • • • • • • • • • • • • • • • • •
	7.3.	Value added tax will • • • • • • • • • • • • • • • • • •
		[list property on which VAT payable].
	OR	
	7.4.	The Price

all other Assets

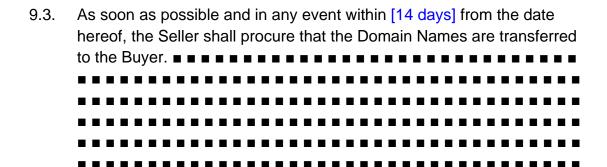
5.1.6

# 8. Items to be delivered at completion

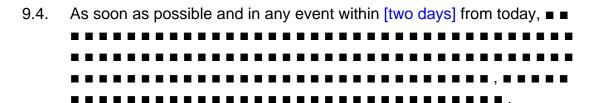
The S	Seller shall handover to the Buyer or otherwise deliver
8.1.	whatever the <b>***</b> ;
8.2.	all books of account;
8.3.	computer programmes used in •••••;
8.4.	all data relating to the Business,
8.5.	all information and records relating to customers and suppliers, including a list of all the [ = = = ] = = = = = = = = = = = = = = =
8.6.	complete records relating to Employees, •••••••••••••••••••••••••••••••••••
8.7.	[only if the seller is a limited company] signed and certified copy of the minutes
8.8.	transfers of the <b>*****</b> , <b>**********</b>
8.9.	marketing material of every sort in any medium;
8.10.	a list of sales Agents and agents, identifying sales
<b>გ</b> 11	all other

## 9. Completion

3.1.	As soon as the items listed above have passed a a a a a a a a a a a
9 1	As soon as the items listed above have passed



.......



9.5. The Seller has a continuing obligation to do what is •••, ••••

9.6. The Buyer shall not be obliged to

9.7. If any or all of the transactions set out in this paragraph do not

## 10. Stocks

#### 11. Creditors and liabilities

11.1.	The Seller shall immediately discharge all the debts of the   •••••••••••••••••••••••••••••••••••
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OR	
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13.	War	ranti	ies	by t	the	Se	lle	r													
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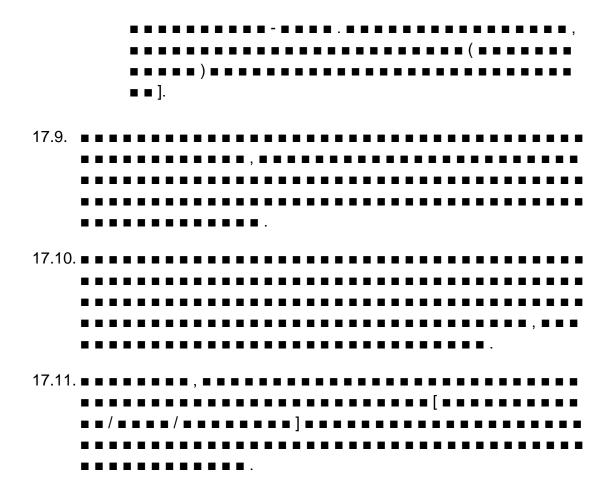
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13.4.		£[1	0,00	• • • • • • 00 ]. •		<b>.</b>	• • •	 	 		•••	•••	•••	•••	••	•••	•
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14.2.					[ • •			• • • •	  ]					•••			
14.3.	•••										••	••	••			•	
14.4.	:::																

# 15. Confidentiality

	15.1.	The Seller now undertakes that he will:
		15.1.1
		15.1.2
		15.1.3 not post on the Internet any Confidential Information.
	15.2.	
16.	Pub	licity / Announcements
	16.1.	
	OR	
	16.2.	No party shall:
		16.2.1 make any public announcement; or
		16.2.2 disclose any information; or
		16.2.3
	16.3.	
		1,
17.	Misc	cellaneous matters
	17.1.	

17.2.	
17.3.	
17 <i>/</i> 1	
17.4.	
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17 6	
17.7.	
17.8.	
	It shall be deemed to have been delivered:
	;
	••••72 •••••••;
	[



**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.

OR

Signed by [Seller name in full]

**AND** 

Signed by [Buyer name in full]

## **Schedule1: Press release**

[Set down the text you have agreed.]

### **Schedule 2: Warranties**

#### General

1.																											- 1	. =			
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#### **Accounts**

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#### **Assets**

- 9. All Assets:
  - 9.1. are transferred by this agreement and
  - 9.2. are owned outright by the Seller.

	9.3.																	
		•••					-		 			•		•	•	;		
10.																		
	•••	•																
Tradii	ng and	contr	acts															
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Inforn	nation	techn	ology	("IT"	)													
19.	•••					-			 						•			
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	19.1. domain name:
	19.2. name and contact information of registrar:
	19.3.
	:
	19.4. date to which the name is registered.
20.	
04	
21.	
22.	
	22.1.
	22.2. technical, customer and client support services;
	22.3.
	;
00	22.4. an email service provider.
23.	
24.	

**End of Warranties** 

# **Explanatory notes:**

Sale agreement: home based trading business

#### **General notes**

#### 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

#### 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

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. Initial extra pages

#### 5. Recognition of our copyright in this document

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	Once you have edited the document for final use, you may remove the •••.
6.	Document review service
	If you would like our legal team to check your edited version, we
	Please contact our support team at <a href="mailto:support@netlawman.co.uk">support@netlawman.co.uk</a> for further information.
Para	agraph specific notes
(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 <b>first decide on the contents of the document</b> , then return to check what definitions are needed and whether they really <b>= = = = = = = = = = = = = = = = = = =</b>
2.	Corporate seller provisions
	This paragraph enables the references to "Business" to have legal meaning when the legal reality is that a "business" does not exist. It cross references the parties and obligations back to the seller company. If the seller in
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.
4.	Entire agreement

This paragraph prevents a party from later saying he was relying on some **Agreement for Sale** There is an overlap in this list: use the descriptions that are most **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 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 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 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

5.

6.

7.

8.

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service. This puts a business buyer in a difficult position. Take a payment service provider.

### 11. Creditors and liabilities

9.

We think this is a good arrangement but $\blacksquare \blacksquare \blacksquare$
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 $\blacksquare$
(a) for the purpose of determining whether the transferee is liable to be registered under this Act he shall be treated as having • • • • • • • • • • • • • • • • • • •
;
(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) Regulations 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) ■ ■ ■ ■ (2A) ■ ■ ■ ■ (2A) ■ ■ ■ (2A) ■ ■ ■ (2A) ■ ■ ■ (2A) ■

(b) for any right of either of them to repayment or credit in respect ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
but no such provision as is mentioned in paragraph (a) or (b) of this subsection shall have
(4) Subsection (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 $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$
Warranties by the Seller  This paragraph - confirmation of   This paragraph - confirma

This paragraph provides for the warranties to be given by the seller. ■ ■ ■ ,
To claim for breach of warranty the buyer must prove money loss. ■ ■ ■ ■ ■
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.
Confidentiality
Confidentiality Warranties cover only matters that exist at the date of the sale. The future
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.  Publicity / Announcements
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.  Publicity / Announcements
Confidentiality  Warranties cover only matters that exist at the date of the sale. The future must be covered separately.  Publicity / Announcements  Edit or delete.

15.

16.

These are just as valid in
Notes on the schedules
Schedule 1: Press release
Provide text or delete if not required
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 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Personal data protection
We suggest leave it as is.
Information technology ("IT")
We have placed these under a separate heading to cover the special provisions which apply to them.

**End of notes**