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

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The Schedule Fixed 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]

The Company is: [company name or LLP name]

of [registered address] a company / limited liability partnership,

It is now agreed as follows:

#### 1. Definitions

So far as the context permits, the following words  $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$ 

-----:

"Accounts" means the audited profit and loss account of the

"Assets" means all of the Assets of the Seller

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

"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.
"Contracts"	means current contracts of the Seller in    I I I I I I I I I I I I I I I I I I
"Creditors"	means trade creditors and accrued charges in connection with the Business • • • • • • • • • • • • • • • • • •
"Fixed Assets"	means all plant, machinery, tools,
"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

3.

This a	agreement
2.1.	the Seller shall be ••••••••••••••••••••••••••••••••••
2.2.	a reference to the knowledge, information, belief or awareness
	, ,
2.3.	a reference to a paragraph or schedule is to •••••••••••••••••••••••••••••••••••
2.4.	the headings to the paragraphs and schedules ( = = = = = ) = = = = = .
2.5.	any agreement by any party not to do or
	■.
2.6.	[except where stated otherwise], ••••••••••••••••••••••••••••••••••••
2.7.	a reference to the knowledge, information, belief or awareness ■ ■ ■
	, ,
2.8.	a reference to an act or
Agr	eement for sale
3.1.	Completion shall take place today, immediately upon exchange of this agreement duly signed

	3.1.4	the Intellectual Property Rights;							
	3.1.5	the Domain Name(s);							
	3.1.6	the Website;							
	3.1.7	the benefit of the Contracts.							
The	Purcl	nase Price							
4.1.	The Pr	ice for the business shall $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$							
		:	•••						
	Goodw	vill	£[	1					
	Fixed A	Assets	£[	1					
	Intelled	ctual Property rights	£[	1					
	Contra	cts and all other property	Nil						
	The St	ocks	To be	e ascertained					
	Total I	Price	£[	1					
4.2.	There	shall be deducted from the							
			•••						
4.0	The Dr								
4.3.	·								
EITHI	ER								
4.4.	by ban	k transfer upon exchange of	• • • •						
				<b></b>					
OR									

the Business as a going concern;

the Fixed Assets;

3.1.1

3.1.2

3.1.3 the Stocks;

	OR	
	4.6.	
		".
	OR	
	4.7.	
		[
		lacksquare .
	4.8.	
		[list property on which VAT payable]
	OR	
	4.9.	•••••
		•
5.	Iten	ns to be delivered at completion
	■■■	
	5.1.	;
	5.2.	all books of account and VAT records;
	5.3.	
	5.4.	;
	<b>О</b> . ¬.	;

4.5.

5.5.	
5.6.	evidence of Contracts and assignments of Contracts;
5.7.	
5.8.	
5.9.	
5.10.	
5.11.	
6. Con	npletion
6.1.	
OR	
6.2.	
6.3.	

#### 7. Stocks and debtors

7.1.

70

7.2.

7.3.

#### 8. Creditors and liabilities

8.1.

8.2.

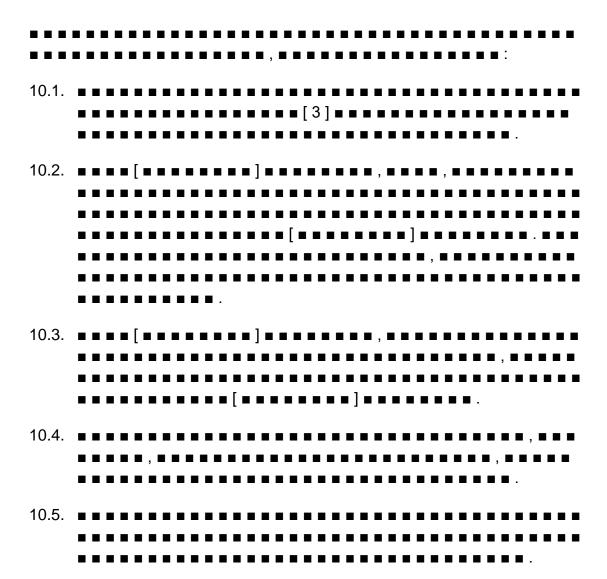
### 9. Value Added Tax (VAT)

= 4 = = = 8 (1) (= = = =).

9.1.

			• • • • • • •	■ ■ 1994 , ■ ■ ■
■■■[6■	]		• • • • • • •	•••••
			•	
	49	49	49	49

#### 10. Future activities



## 11. Miscellaneous matters

11.1.																		
													• '				J =	
	•																	
11.2.	••																	
			•															
11.3.		_	 	 _	 _		 _		_	_	_	_		_	_			
11.3.																	-	
11.4.	••																	
	••		 -	<b>=</b> 1	 •	- 1	•			<b>=</b> !	 •		•	 •				-
					 ١.													
11.5.		 -	 -							<b>.</b>		•	- 1		•			
	••																	
	••																	
															-	<b>-</b> ,	-	
44.0																		
11.6.																		
		 . [ ■	 		 - 1		/ =	-		. / .	 -	- 1			1			

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

Witness to signature:

Name:

Address

Signed by [personal name], duly authorised for the Company
Witness to signature:
Name:
Address

## The Schedule: Fixed Assets

[list fixed assets]

# **Explanatory notes:**

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

# **General notes**

2.

3.

1. Who are the parties?
-------------------------

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Who are the parties?
As we explain briefly in the page from which you bought this document, it has been drawn primarily for an agreement between people who know each other already and where the directors of the company may be associated with the 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,
Naming the seller
It is assumed that the seller is a sole trader or small partnership. Their names could be stated as "Seller" or you could change to some abbreviation of the
Tax clearance may be necessary
Where a transaction may not be at arm's length, it will attract the attention of HM Revenue and Customs. You may be wise to consult your accountant and obtain clearance in advance. This may be particularly important if you plan a sale onwards at
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	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:
Notes	numbering refers to paragraph numbers.
1.	Definitions
	We have no comment.
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. Many of them
3.	Agreement for sale
	There may be some overlap in this list:
4.	The 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
	.,,,
	•
	For various tax purposes it may
	Goodwill

5.

**Document review service** 

Fixed assets

	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. It may
	•••••
5.	Items to be delivered at completion
	We have provided a long menu so that nothing   I I I I I I I I I I I I I I I I I I
6.	Completion
	This can be a very ••••••••••.
7.	Stocks and debtors
	This is a sensible provision. If you are a trading business, we suggest that you leave this •••••, ••••, •••••, •••••.
8.	Creditors and liabilities
	You can edit to what you need, or leave these provisions in place, ■ ■ ■ ■ ■
	•••••
9.	Value Added Tax (VAT)
	This very important. First, be sure to apply to be registered for VAT before this agreement is signed,
	The document refers to Section 49 .
	Transfers of going concerns
	(1) Where a business,

• Intellectual property

• • • • • •	e purpose of determining whethe	er the transferee is $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$
(2) Without prej	judice to subsection (1) above, th	
(2A) Reg	gulations under subsection (2) ab	
(a )for lial ■ 70 ) ■ ■	bilities and duties under this Act	(excluding sections 59 $\blacksquare$ $\blacksquare$
•••;	y right of	
(4) • • • (5)	) • • • • • • • • • • • • • • • • • • •	

(b) the transferor continues to $\blacksquare \blacksquare \blacksquare$
(5) So far as is •••••••••••••••••••••••••••••••••
(a) to give to E, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
(b) to give to E, = = = = = = = = = = = = = = = = = =
,
(c) to make the records available
, ,).
(6) Where a business, or part of a business, carried on by ■ ■ ■ ■ ■ ■ ■ ■
•••••
Future activities
Even if you do not expect the seller to $\blacksquare$
,
Miscellaneous matters
Leave all these

**Schedule: Fixed Assets** 

10.

11.

List the assets

## **End of notes**