



TRANSITION  
360  
PARTNERS

# BUYING A BUSINESS MADE SIMPLE

YOUR SIMPLE GUIDE TO BUYING THE RIGHT BUSINESS THE RIGHT WAY



# WHO YOU NEED ON YOUR BUYING TEAM

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Buying a business isn't something you should tackle alone. Assembling the right team can mean the difference between buying a business that thrives – or one that just survives.

## ACCOUNTANT

They'll assess financials, spot red flags, and advise on tax-efficient deal structures.

## SOLICITOR

Critical for due diligence, legal agreements (SPA, warranties, etc.), and protecting your interests.

## FINANCE BROKER OR LENDER

Helps you secure funding – from asset-based lending to private capital.

## BUSINESS BROKER OR ACQUISITION ADVISOR

Can help source off-market deals, manage negotiations, and support valuation assessments.

## VALUER (IF NEEDED)

For complex or high-value transactions, a formal valuation might be necessary.

**Don't cut corners on advice. Mistakes in buying a business are costly and often avoidable with the right team.**

# KEY DOCUMENTS TO REQUEST FROM THE SELLER

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Before you buy, you must verify. Here's what you should always ask to see during due diligence:

- ✓ Last 3 years' tax returns (CT600)
- ✓ Last 3 years' full financial statements
- ✓ Year-to-date management accounts
- ✓ A statement of seller's discretionary earnings
- ✓ Cash flow forecasts
- ✓ Debtors & creditors lists
- ✓ Asset & inventory list with values
- ✓ Building lease or property ownership documents
- ✓ Details of existing contracts (clients, suppliers, staff)
- ✓ Employee records
- ✓ Loan and lease agreements
- ✓ Business licenses, insurance policies, and certificates
- ✓ IP ownership documents (trademarks, website, CRM, etc.)
- ✓ Any legal or HMRC disputes or liabilities
- ✓ Marketing strategy and sales pipelines



## TIP

A clean and organised data room is often a sign of a well-run business.

# KNOWING WHAT YOU'RE REALLY BUYING

**A business is more than just numbers.  
You're also buying its people, processes, and potential.**

## TANGIBLE ASSETS

- ✓ Plant, property, equipment
- ✓ Vehicles, fixtures, fittings
- ✓ Inventory
- ✓ Office/retail premises (if owned)

## INTANGIBLE ASSETS

- ✓ Business name and brand reputation
- ✓ Customer lists and supply agreements
- ✓ Website, phone numbers, social media handles
- ✓ Processes, systems, know-how
- ✓ Contracts and staff continuity
- ✓ Goodwill

**Make sure you understand what's included – and what's not.**

# VALUING THE BUSINESS

**There's no one-size-fits-all valuation.  
Here are common valuation methods:**

- ✓ EBITDA multiple (usually 2x–5x for small businesses)
- ✓ SDE (Seller's Discretionary Earnings) for owner-managed businesses
- ✓ Asset value (in asset-heavy industries)
- ✓ Discounted Cash Flow (DCF) for future-focused investments

**A valuation is part science, part art –  
and fully negotiable.**

Always test the valuation against affordability.  
Can the business support the debt you're taking on?



# FINAL THOUGHTS BEFORE YOU SIGN

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- ☑ Understand your reason for buying – what's your end goal?
- ☑ Don't rush – proper diligence is better than buyer's remorse.
- ☑ Make sure post-deal support or handover is agreed.
- ☑ Always negotiate – but be fair. A win-win deal is the most sustainable.

NEED HELP FINDING OR  
BUYING A BUSINESS?  
**LET'S TALK.**

**GAVIN PAGE**

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