



FOR BUSINESS OWNERS

Before You Sell

The Business Owner's Pre-Sale Playbook

Thinking of selling your business in the next five years?
Here's what to work through now.

A personal exit brief. Three priorities for the next 90 days.

Life after the business

Describe an ordinary week after the sale. Use that picture to set boundaries on the deal you would accept.

Your time

How many days would you choose to work? Which commitments would you stop, keep or begin?

Your role

What would replace the purpose, routine and relationships the business gives you?

Your family

Whose plans depend on yours? Compare expectations about work, travel, home and financial support.

Personal boundaries

Set three boundaries: one about time, one about your future role and one about family. Make each specific enough to test an offer against.

Example: “I would stay for a six-month handover, but I do not want a three-year operating role.”

Plan some time away from daily decisions. Note what you enjoy, what you miss and what still depends on you. Compare your preferred next chapter with your partner’s or family’s.

A larger potential payout can mean staying longer. Decide how much that matters before an offer arrives. [1]



Personal funding requirements

Start with household spending and the resources you already have. Keep annual costs, one-off commitments and accessible capital separate.

Annual spending

Use the last 12 months of personal spending. Adjust for costs that will stop and benefits the business currently pays for that you would need to replace. Split essentials from optional spending.

One-off commitments

List debt repayments, gifts, education costs, a house move or other planned spending. Record an amount and date for each. Keep these out of the annual total.

Existing resources

List personal cash, investments, pensions and continuing income. Note ownership, tax, access dates and restrictions. Include housing wealth only if you have a specific plan to release it. [2]

Worked example / Annual cash gap	
Annual income gap Use after-tax spending and after-tax income for the same year. Include only income that continues after the sale.	Household spending £84,000
	Less continuing net income – £18,000
	Annual gap to fund £66,000
	Separate one-off commitments: £120,000

The £66,000 is an annual gap, not a capital target. Ask your financial planner to model the capital needed across your lifetime, including inflation, tax, fees, investment uncertainty and when pensions become available. Test a later sale, lower proceeds and no earnout payment.

Personal sale proceeds

Ask your accountant for a one-page reconciliation from the quoted price to what you personally receive, and when. First establish whether the proposal is for shares or business assets.

01 Headline value / shareholder value

If the quote is an enterprise value, reconcile cash, debt and the agreed working-capital adjustment to the price paid for the shares. Working capital is the operating funding left in the business; the deal defines the required level. [3]

02 Shareholder value / your entitlement

Confirm the amount attributable to your holding, allowing for share classes, options and other owners. If assets are being sold by the company, ask how the proceeds would reach you personally and what taxes arise. [4]

03 Your entitlement / cash by date

Separate completion cash, money held back, fixed deferred payments, earnout and any shares you retain or receive. Do not include all of them as money available on day one.

04 Cash by date / usable personal capital

Reserve the relevant tax, your fees and planned personal commitments. Check what was already deducted earlier so nothing is counted twice. Keep uncertain receipts outside the amount needed for essential spending.

UK tax fact / Checked 10 September 2026

Business Asset Disposal Relief is **18% on qualifying gains** for disposals from 6 April 2026, with a **£1 million lifetime limit on qualifying gains**. It is conditional and does not apply to the whole sale price automatically. Ask your tax adviser to check eligibility, previous claims and payment dates. [5]

Payment terms

Compare offers by the money available at completion, what must happen before later payments arrive, and your obligations after the sale.

Cash at completion

Paid when the deal completes, subject to the agreed deductions and holdbacks. Confirm the amount reaching you and reserve the tax and costs due from it.

Fixed deferred payment

An agreed amount paid later. It still carries payment risk. Ask who owes it, when it is due, whether deductions are allowed and what security supports it.

Earnout

A payment that depends on future results or conditions. Establish what you can influence once the buyer controls the business, and whether staying employed affects payment. [6]

Shares are a separate category. Retained shares or shares in the buyer are not cash. Ask when and how they could be sold, what rights you have and how their value could change.

Tax and cash can arrive on different dates. Deferred consideration and earnouts can create tax liabilities before you receive the money. Have your tax adviser model each component and its payment date. [7]



Comparing sale offers

A higher total offer can pay less upfront. Compare when each payment is due and what conditions apply. These invented figures cover the same owner’s shares, before tax, fees and adjustments.

Payment	Offer A	Offer B
Cash at completion	£4m	£3m
Fixed payment after 12 months	—	£1m
Earnout after 24 months	—	Up to £1m
Maximum total	£4m	£5m

Offer B provides £1m less at completion. Its maximum is higher, but £1m is conditional and another £1m is paid later. Compare the net cash timetable with your funding plan before deciding what the extra potential payment is worth.

Earnout questions

The calculation

Which metric, accounting rules and worked calculation determine payment?

Control

Can the buyer change budgets, pricing, staffing or group charges that affect the result?

The payout

What are the thresholds, cap, payment dates and rules for partial achievement?

Your departure

What happens if you leave, become ill or are dismissed during the period?

Verification

What records can you inspect, and how can you challenge the calculation?

Payment protection

What happens on buyer default, a resale or a dispute? What protection is negotiated?

Ask your solicitor to connect the wording, operating control and dispute process; ask your accountant to test the numbers. [6] [8]

Things to work through with your financial planner

Your financial planner can help you identify which assumptions need checking and coordinate the personal plan with the tax, legal and deal advice around it.

01 / What do you want life after the business to look like?

Describe a typical week, your preferred role and the time you want for family or other commitments. [1]

02 / What does the sale actually need to provide?

Compare household spending and one-off commitments with existing assets and continuing income. [2]

03 / How much needs to be available at completion?

Identify the cash needed for tax, fees and near-term plans. Separate it from money paid later.

04 / How much uncertainty can you tolerate in deferred consideration or an earnout?

Test your plan with lower or later payments, including an earnout that pays nothing.

05 / How early do you need to start planning?

Start before a buyer or offer. Agree what to establish now and which decisions need checking before terms are agreed.

Other advisers you may need

Accountant / tax adviser — Tax, net proceeds and payment dates.

Corporate solicitor — Ownership, contracts and sale terms.

Corporate-finance adviser — Buyers, valuation and the sale process. [4]

Discuss your exit plans

Bring your exit brief, your estimates and any unanswered questions. Use the conversation to establish what needs checking and your next steps.

Your next 90 days

Choose one personal decision, one financial uncertainty and one business dependency. Use the checks below to find what needs attention first.

Personal decision

Where do your preferred role, timing or family plans conflict? Resolve that before using a sale price as the goal.

Financial uncertainty

Which missing figure could most change your plan: spending, accessible assets, tax or personal sale proceeds? Assign it to the adviser who can check it.

Business dependency

Start with the item most likely to limit your ability to leave. Check owner dependence, customer concentration, financial records and key contracts.

Preparing the business for sale

Owner dependence: which sales, approvals or relationships stop without you? Pick one responsibility to transfer and test.

Customer concentration: calculate the share of revenue from your largest customer and top five. Note renewals, retention and who owns the relationships. [9]

Financial records: can your accountant reconcile recent management figures to the accounts and explain unusual items?

Contracts and intellectual property: confirm the company owns or can use the assets it relies on, including work created by contractors. Flag gaps to your solicitor. [10]

90-day action plan

Days 01–30

Establish the baseline

Complete the first version of your brief. Compare family priorities and assemble the figures and documents for your three chosen tasks.

Days 31–60

Resolve the assumptions

Hold the relevant adviser conversations. Replace estimates with checked figures. Start the operational change you selected.

Days 61–90

Review the evidence

Check what changed. Record the answer or completed action, update your brief and set the next review date.

A specific task: “By 30 November, Sam will handle the weekly pricing approvals for four weeks; I will review exceptions only.” Give your other two priorities the same clarity.

Your personal exit brief.

Record decisions, label estimates and take this page to your advisers.

PREFERRED TIMING, FUTURE ROLE AND PERSONAL BOUNDARIES

Life after the business

What the sale needs to provide

Payment terms and family priorities

Questions for my advisers

Three priorities for the next 90 days

	PRIORITY / COMPLETED WHEN	OWNER	BY WHEN
01	<hr/>	<hr/>	<hr/>
02	<hr/>	<hr/>	<hr/>
03	<hr/>	<hr/>	<hr/>

SOURCES AND SCOPE

Sources

Checked September 2026

UK general guidance. Seek advice for your circumstances.

01 / Capital Partners

Sale proceeds and freedom to leave

02 / Rathbones

Personal and business wealth

03 / BDO

Working capital and deal value

04 / BDO

Selling your business

05 / HMRC · BADR

Rules · Rates · Limit

06 / Osborne Clarke

Earnouts and control

07 / BDO

Sale payments and tax timing

08 / Avery Law

Earnout contract terms

09 / ICAEW

Commercial due diligence

10 / Foot Anstey

IP before sale

Podcast: Exit planning 3–5 years ahead.