

## Company Sale Assistance



### Case Study

The shareholders of The Payroll Service Company Limited (PSC) a family run business since 1973 wanted to sell the company in early 2019.

They appointed an agent in April 2019 to assist with marketing the company to potential purchasers.

As part of the process, PSC required assistance with the preparation of financial information to assist with the sale, including both historical analysis and projections for the future.

Once an offer had been received, there was further financial information required by the purchaser, as part of the due diligence process which we helped with.

### How Lakin Rose Helped

We liaised with the agent to produce a financial projection and budgets for the company for the next couple of years based on historic financial information, to get to an expected annual earnings forecast to assist with the marketing of the company.

We also produced accurate and reliable monthly management accounts.



Once offers were made, between June 2019 and August 2019, there were requests for additional information, which included:

- Review of monthly management accounts to budget
- Updated monthly cash flow forecasts
- Calculation of monthly working capital requirements on sale of the company

An offer was accepted in September 2019 and the company was sold in October 2019. To ensure timely production of information to assist in the process prior to sale completion, we also assisted with:

- Review of sale and purchase agreement, including liaising with sellers' solicitors
- Completion of financial and tax due diligence questionnaires
- Provision of the financial information requested by the purchaser including preparation of bespoke reports and the following:

- Monthly management accounts for the previous 24 months
- Schedules to support the statutory financial accounts and corporation tax returns and computations for the previous two years
- Liaising with the purchaser post sale to assist with handover of financial information



*Sherry Woolston, a family member and shareholder stated: "Lakin Rose worked with us throughout the process making the marketing, and eventual sale of the business as uncomplicated as possible. We were pleased to be able to count on them in what is almost always a stressful endeavour. Thanks to the team for all their hard work."*

As a result, the sale of the business went smoothly and both the shareholders and new owners are pleased with the work done in preparation, transition and as a going concern.

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