

How a sale to Pennine proceeds

Six stages, with the terms in writing at each. Nothing is requested from a seller before the stage that requires it, and no adviser costs are incurred on either side until the terms have been put in writing.

STAGE 1

A conversation

Half an hour, in person or by telephone, without obligation on either side and in confidence.

STAGE 2

Confidentiality and financial information

If both parties wish to proceed, a short confidentiality agreement, followed by three years of accounts and recent management accounts.

STAGE 3

An indicative proposal

Pennine's view of the value of the business and of how the price would be paid, including deferred or staged payments where these suit the seller's position on tax and timing. The price is based on earnings already achieved, and where the seller's view of earnings and the evidence differ, the difference is usually bridged by a deferred or contingent payment rather than by a higher headline price.

STAGE 4

Heads of terms

If terms are agreed in principle, a short written summary of them, with a period of exclusivity, before solicitors are instructed on either side.

STAGE 5

Due diligence

An accountant reviews the financial information and a solicitor the contracts. Pennine commissions this only after heads of terms have been agreed, so that a seller is not put through it by a buyer that does not intend to proceed.

STAGE 6

Completion and the first year

Employees are informed on the day of completion. The seller remains available for an agreed period, usually 6 to 12 months, to introduce customers and suppliers, and no changes are made in the first year beyond those agreed with the manager.

What an owner can expect from Pennine

- The business retains its name, its premises and its employees, and continues under the manager who runs it today.
- Pennine acquires in order to own. It does not acquire a business with a sale in mind, and no price it offers depends on one.
- An offer is made only once the finance for it has been arranged, so that a seller is not taken through a process that cannot complete.
- In the first year after completion, Pennine's practice is to make no change that a customer or an employee would notice, and to agree any later change with the manager.
- Where Pennine decides not to proceed, it says so promptly and gives its reasons. A seller who decides not to continue is not contacted again unless they ask to be.

Write to acquisitions@pennineholdco.com or telephone 0808 255 4308. Calls that are not answered are returned the same day.