
Information Pennine asks for

Nothing is requested before a confidentiality agreement has been signed, and nothing that would identify a customer or an employee by name is requested before heads of terms. The list below is what the company requires in order to put an indicative proposal on value and payment to a seller, with the reason for each item.

Filed accounts for the last three years

The record of earnings, net assets and cash on which the price is based. Where abbreviated accounts were filed, the full accounts prepared for the directors.

Management accounts for the current year to date and the prior year

To see how the business is trading now, and whether the last filed year is typical.

VAT returns for the last eight quarters

An independent check on the sales figures in the accounts.

The owner's own remuneration and benefits taken through the business

Salary, dividends, pension contributions, vehicles and any other cost that would not continue under new ownership. Each is added back to earnings, with a payslip or a ledger entry as evidence.

One-off items in the last three years

Legal costs, bad debts, a move of premises, or anything else that will not recur, with an invoice or a ledger entry for each.

Sales by customer for the last two years

Customers may be identified by a code until heads of terms. Pennine ordinarily looks for no single customer accounting for more than about 15% of sales.

Contracts with customers that run for more than a year

The term, the notice period and any clause triggered by a change of ownership.

Employees by role, start date and pay

Names are not required until heads of terms. Terms for the people on whom the business depends are agreed before completion.

Premises

Leases and their terms, or the title where the premises are owned by the business or by the owner personally.

Equipment and vehicles

What the business owns, what it leases, and what will need replacing within three years.

What is done with it

A financial model is built from the information before any price is discussed, and no term is offered that the model does not support. The information is held in confidence, is seen only by the founder and the company's accountant, and is returned or destroyed if the conversation does not continue.

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