

Tax

Facilitating the sale of a business from a tax perspective

Case study

Our case study involves the sale of a business that had numerous **historical issues** which had a direct impact on the **position of the shareholders**.



These issues had much wider implications than first anticipated, **threatening the prospect** of a successful sale or a potential **reduction of the sale price**.



Our dedicated **tax team** worked alongside **experts in other areas** to coordinate an in-depth review of the transaction from a tax perspective, producing an **appropriate structure for the transaction**.



As a result, we were able to facilitate the successful sale of the business in the most **efficient manner**, yielding significant **tax benefits** for the client and **mitigating the impact of the historical issues** which could have affected the sale of the business.



Get in touch

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Background

Our case involves the sale of shares in a business. The company's structure was complex and there were many organisational, legal and tax issues that threatened the prospect of a successful sale if not addressed promptly.

Numerous historical issues were apparent, most of which could have been avoided with a review of the company structure pre-sale, and the implementation of an effective tax planning strategy. In this case, the company share structure was not correctly documented and was ineffective from a tax perspective.

How we helped

Our tax team and specialists from other service lines worked closely alongside the client and their legal team to coordinate an in-depth review of the company's structure and asset position which entailed:

- Conducting a comprehensive review of cash on the company's balance sheet for Entrepreneurs Relief purposes
- Resolving issues with shareholders
- Liaising with lawyers to ensure an appropriate structure for the transaction
- Reviewing share rights within the business to assess eligibility for Entrepreneurs Relief
- Identifying problematic areas within the sale process and navigating these to secure a successful sale

Experts from our specialist VAT team were also utilised to review and determine historic property transactions and provided advice in relation to the structure of the transaction to, ensure the recovery of VAT where applicable. Our multidisciplinary team also provided company secretarial advice to ensure statutory records were up to date.

The result

As a result of our work, we were able to facilitate the completion of the transaction, mitigate the level of risk posed to our client by resolving any historical and legal issues, and secure the optimum Entrepreneurs Relief outcome for our client.

This was a complex case which involved many issues that could have been resolved earlier in the sales process. If you are thinking of selling your business, please let us know as soon as possible, as we will be able to assist you and avoid unnecessary stress, price chip of the sale proceeds, or indeed the collapse of the transaction altogether.



GET IN TOUCH

Our tax team have extensive experience providing tax advice on a range of mergers, acquisitions, sales and reconstructions that is both flexible and practical. We add value to the transactional process, and ensure we focus on both the commercial and personal interests of the business its stakeholders.

If you would like to get in touch with our team, please see contact information below:

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