

Chichester Bistro Business Sale

Corporate & Commercial Department

The sale of a bistro café business in Chichester, West Sussex

Bennett Griffin LLP is delighted to have recently advised the shareholders of a hospitality company that wished to dispose of the assets and goodwill of one of its bistro cafés in Chichester.

The shareholders came to Bennett Griffin LLP for advice on how to proceed with their proposed sale.

The client dilemma

They were torn on whether to:

- continue running the company and, in turn, their other business engagements;
- sell the shares in the company;
- sell the assets and goodwill of the Café Bistro business.

Our Corporate & Commercial Department team ran through these options and their legal and financial implications.

After considering that advice, the shareholders chose to proceed with a sale of assets and goodwill.



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Contact Us

Corporate and Commercial

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Mrs K Bistro Owner and Managing Director

Hi Lauren, thank you so much for all your hard work and speedy responses. You are an absolute super star!



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Selling The Business

The sale of a business is likely to be one of the most complex transactions which the shareholders of a limited company or owners of an unincorporated business are likely to consider.

Two important aspects must be considered at the outset of any proposed business sale transaction.

The first relates to **what form the transaction will take.**

In the case of an unincorporated business, a sale of assets and goodwill will occur. In the case of a limited company, however, the starting point is that a sale share may be preferable, whereby the company doesn't change outwardly, but the control of the company does.

It should be noted that, in certain circumstances such as where only part of a company's business is being sold or where the company has something within its history which is viewed as detrimental to a buyer, the sale of assets and goodwill may be best as, in the latter case, for example, the buyer can avoid any residual liability caused by whatever problems have gone before.

The second aspect to consider is **why the business is being sold.**

In some cases, the reason may be financial, such as an offer from a competitor that is too attractive to refuse; in other cases, circumstances may mean a sale is necessary, such as cash flow concerns or a change in personal circumstances, for example, retirement.

In many cases, however, a transaction will be dictated by the present shareholders or owners whilst guaranteeing the future of the business and ensuring continuity for staff and customers alike.

In relation to this bistro café transaction, our client wished to dispose of the assets and goodwill due to a competitor's offer, which suited their business plan.



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Due Diligence

When selling all or part of a business, the level of complexity will vary from one matter to another.

It is fairly standard to expect a full due diligence exercise to be undertaken.

The reasoning behind this exercise is so that the prospective buyer of the business can gather information on the target before committing to the transaction.

In this transaction, a light-touch due diligence exercise was undertaken as the buyer was a competitor and had a strong understanding of the business.

This included various enquiries being raised concerning the business so that the buyer could be fully satisfied with what they were proposing to purchase and have to understand the supplier contracts that the company had held for many years, as well as some less usual circumstances.

Another nuance of this matter was the need for a lease assignment of the bistro café's premises and advice on licences relating to food and drink, which is specific to this industry.

Seller & Buyer Satisfaction

The key to successfully concluding this transaction was to ensure, by negotiation and correct documentation, that the interests of the seller and the buyer were as closely aligned and protected as possible.

Although complicated at points, the transaction was concluded in a very friendly atmosphere, and the company continues to thrive today, as well as the bistro café's business.

It was a pleasure to work with the shareholders on this transaction and help them achieve their goal of disposing of part of their business.

Department

Corporate and Commercial

Our Corporate and Commercial department is able to assist with the most unusual or diverse circumstances that a business sale or acquisition may entail.

We have experience acting for buyers and sellers in the food, drink, and hospitality industry and understand the specific requirements for transactions within this industry or similar.

If you are considering selling or purchasing a business, the key to a successful transaction is in the details, timing, and specialism, and the corporate department would be delighted to speak with you at any time to assist with this.