

Buying a Business

How MHA Tait Walker can help you with an acquisition strategy



Understanding your aspirations and your business

Your aspirations help us to understand how we can you shape your business. Your business and its drivers allow us to identify what is valuable to you, and how buying another business would increase your current shareholder value.



Searching the market for your ideal target

We can search our networks and databases to find UK companies that would be open to an approach from a trade buyer:

- Owners seeking retirement
- Young companies seeking trade investors
- Companies for sale



Securing funding for the combined group

Financial forecasts help to assess the sources of funds for the acquisition and working capital:

- Existing
- New debt or equity
- Vendor loan notes
- Deferred consideration
- Earn outs



Ensuring the deal can give you value for money

Buying a business is not always the best use of resources and alternative routes. Joint ventures and closer trading relationships should be considered to identify which is better value.



Devising a strategy to grow your business

A strategy for buying a business may include:

- Access to a new location/market
- Acquiring new technology
- Removing a competitor
- Acquiring a complementary product
- Making best use of surplus resources



Evaluating the target and making an offer

We can assist you in your assessment of target companies, their owners and their management to help you make the right offer:

- The strategic fit
- The valuation
- A deal structure
- Risks and opportunities
- Synergies



Taxation advice and planning will protect you

Tax advice makes sure the new group structure is not in conflict with your remuneration strategy and can be aligned with your eventual growth and exit ambitions.



Gaining protection from risks and future events

Your risks are mitigated by careful planning:

- The acquisition strategy
- Financial and taxation due diligence
- Post-completion integration plan

We can provide all of the required financial, taxation and Wealth Management planning advice and work with chosen lawyers.

All initial work is appraised on a no-commitment basis and proposed fees are outlined in advance.

Three stages of an acquisition

1. Planning

- Design the acquisition strategy
- Target identification

2. Making the offer

- Analysis of confidential information
- Evaluation e.g. the strategic fit, valuation, deal structure, risks and opportunities, synergies
- Negotiations of Heads of Terms

3. Completing the acquisition

- Fundraising
- Design the integration plan
- Financial due diligence
- Legal agreements
- Implement the integration plan

Different deals have very different tax implications

Deal structures will vary:

- Asset acquisition
- Share purchase

Forms of consideration attract different rates of tax:

- Cash
- Deferred loans
- Earn out
- Deferred consideration
- Loan notes

Tax due diligence will be required:

- Corporation tax
- Employee taxes
- Value added tax
- R&D tax credits
- Enhanced Capital Allowances

Our Tax team can advise you on what is appropriate for your circumstances.

Recent examples

- Repeat acquisitions by a North East pharmacy group as part of its buy and build strategy.
- Acquisition by a UK independent manufacturer of scented products of a smaller competitor in the East Midlands to facilitate a dual site manufacturing strategy.
- Acquisition by a UK subsidiary of a French plc of an electronics product manufacturer in the North West to supply new customers and markets.
- Acquisition by the UK subsidiary of a Japanese plc manufacturer of a software company in Cambridgeshire to gain new technology and distribute complementary products in the UK and worldwide.

Contact us

Our Corporate Finance team works closely with our Taxation team



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