

Plan4Sale

Critical Tidy Up - Checklist

Financial	Notes	✓
Monthly management accounts, ready by third week of following month		<input type="checkbox"/>
Management accounts prepared on same accounting principles as statutory accounts		<input type="checkbox"/>
Minimal corrections to management accounts when audited		<input type="checkbox"/>
Consistent accounting policies year on year		<input type="checkbox"/>
Where stock or work in progress are relevant, these are measured regularly and written down		<input type="checkbox"/>
Annual budget prepared, ideally with balance sheet and cashflow, preferably for 3 years		<input type="checkbox"/>
Ideally, high level forecast for the following 3 years prepared		<input type="checkbox"/>
Rolling actual v budget variations month by month		<input type="checkbox"/>
Monthly management or board meeting takes place with minutes that can be reviewed		<input type="checkbox"/>
Proof of past and current compliance with HMRC requirements		<input type="checkbox"/>

Documentation

Notes



All staff have signed and current employment contracts

Detailed data on all staff dismissals, along with recruitment and pay rate changes over past 3 years

Premises lease in place

All equipment leases/HP documentation in place

Banking documentation in place

Statutory books accessible and up to date with original or certified copies

Customer contracts, where relevant, in place

Purchase orders in place for procurement

Awareness of all supplier and client contracts that would need to be cancelled if business ownership changes

All health and safety requirements met and documented

Full set of company policies on bullying, holidays, sickness, anti-corruption etc etc.

Proof that all employees have read and understood them

Management

Notes



Any side agreements with key managers formalised

Record of any motor insurance claims over the past 5 years

Record of any claims against the business referred to PI insurers during the past 5 years

Record any claims referred to any other insurers during the past 5 years

Owner

Notes



All perks now to be charged openly through the P&L

Tax paid as required

Balance Sheet

Notes



Maintenance programme (documented) for plant

Confirm depreciation policy – is it appropriate and can it generate more profit?

Can any capex be delayed or reconfigured?

Doubtful debts provided for

Can debtors be collected more quickly?

Can creditors be paid more slowly?

Is HMRC always up to date?

Have there been any HMRC investigations and if so, recommendations dealt with?

Is there deferred revenue on the balance sheet? If so, is the calculation consistent and accurate?

Do you know what the real working capital requirement is of the business?

Do all the assets truly belong to the business (or are there boats/cars etc for your own use)?

End of lease dilapidations being accrued for on an accurate basis

Premises

Notes



Clear lease terms

Any risk to the tenant, eg:

- Outside of Landlord and Tenant Act
- Onerous dilapidations charges

Premises health and safety compliant

Offices and warehouses kept tidy – build in a process to keep this as the case

Are any parts of the building built in the 1950 to 1999 period, if so:-

Asbestos reports in place and compliance ensured with recommendations thereof

Are there any notifiable invasive species of plant on the property?

Where is the property relative to the 100 year flood plain?

Are any parts of the property listed?

Are there any known issues with the property that require repair?

Does the property have a flat roof?

Client Analysis

Notes



Can you list the top spending clients for each of the last 5 years?

How has their spend varied year on year?

What is the breakdown of product/services bought year on year?

Classify each client by risk of being lost to the business: low, medium, high, actively looking elsewhere

What marketing activity brought each client to the business?

What is the expectation of each client's spend with the business over the next 12 months?

How do you win new business?

Who are your most successful competitors?

How many clients have you lost in the last 36 months, what was the value of their business, why were they lost?

How do you manage "clients at risk"?

How do you evaluate the profitability of your clients?

List the most profitable 20 clients

Staff	Notes	✓
Staff have clear reporting lines		<input type="checkbox"/>
Staff are measured/appraised appropriately		<input type="checkbox"/>
If staff turnover is fast, assess why		<input type="checkbox"/>
Is there a TUPE risk with any staff/clients/suppliers?		<input type="checkbox"/>
Are any staff on any special employment terms?		<input type="checkbox"/>
Have any staff requested varied terms in the past 3 years that have been either denied (if so, on what basis) or allowed (if so, on what basis)?		<input type="checkbox"/>
Is there a Union?		<input type="checkbox"/>
Have any staff left in the last 3 years via compromise agreements?		<input type="checkbox"/>