

# 1. Consideration

## 1.1 Amount

The Purchase Price of the Business shall be the sum of the undertakings contained in this Agreement in relation to the payment by the Buyer to the Seller(s) of a sum equal to the Business Value (as defined in paragraph 1.3.1 of Part 2 of this Schedule).

## 1.2 First Payments—on Completion

Prior to the agreement being completed, the Buyer shall pay on Completion the Business Value, the Buyer

1.2.1 The sum of <<Amount in words>> (<<Amount in words>> pounds) to the Seller(s) (on behalf of the Seller(s)) on account of "the Initial Sum"; and

1.2.2 The sum of <<Amount in words>> (<<Amount in words>> pounds) (the Buyer's Solicitors and the Seller('s)) placing into a joint deposit account with the names of the Buyer's Solicitors and the Seller('s) "Escrow Account"), to be held under a mandate and to be held and dealt with as set out in paragraph 6.1;

## 1.3 Second payment – on Completion of Business Value

On the third Business Day after the date on which the Business Value is agreed or determined in paragraph 2 of Part 2 of this Schedule:

1.3.1 if the Initial Sum is less than the Purchase Price, the Buyer shall pay to the Seller(s) a sum equal to the balance (if any) of the Purchase Price, after deducting the Initial Sum, such as to result in the payment of an equivalent sum from the Buyer;

1.3.2 if the Escrow Account is not set up in accordance with paragraph 6.1; and the Buyer shall pay the balance due under paragraph 1.3.1 (or, if no such payment is due, the balance due under paragraph 1.3.1) to the Seller('s)(s') Solicitors using the method set out in paragraph 6.1; and

1.3.3 the balance due under paragraph 1.3.1 (or, if no such payment is due, the balance due under paragraph 1.3.1) shall be paid to the Buyer



Bank: <<  
Branch: <  
Sort Code  
Account N  
Account N

## Calculation of Business Value

### 1. Interpretation

In this Schedule the following words and expressions set out opposite each respectively

“the Business Value”

“the Buyer’s Accountants”

“the Completion Statement”

“Independent Accountant”

“the Seller(‘s)(s’) Accountants”

### 2. Calculation

2.1 [The Buyer shall calculate

shall have the meanings set

the Transfer Time of the Assets pursuant to this Agreement, the net value of the Assets less the amount of the Creditors, as determined in accordance with this Schedule;

name>> of <<Insert firm's

paragraph 2.3 of part 2 of this

accountant agreed upon by or on behalf of the Seller(s) and the Buyer or, if they cannot agree, then the Independent Accountant nominated on the application at the time of completion by the Seller(s) or of the Buyer by the time being of the Institute of Chartered Accountants in England and Wales (ICAEW) such accountant, and, if such accountant is a Chartered Accountant, in nominating such accountant to be borne as he may direct);

name>> of <<Insert firm's

make within <<Insert number>>

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days after the Completion Time, the Buyer, the Buyer's Accountants shall be required to prepare, within <<Insert number>> days, a Completion Statement comprising a balance sheet and profit and loss account up to the Transfer Time for the period from the Transfer Time to the Completion Time in accordance with paragraph 3 of part 2 of this Schedule.

representative of each of the Seller(s) and the Seller('s)(s') Accountants, and] the Buyer shall prepare, within <<Insert number>> days, a Completion Date accounts statement of affairs of the Business for the period from the Transfer Time to the Completion Time in accordance with paragraph 3 of part 2 of this Schedule ("Completion Accounts").

2.2 The Seller(s) shall provide such information and assistance as the Buyer may reasonably require for the preparation of the Completion Accounts.

and assistance as the Buyer may reasonably require for the preparation of the Completion Accounts.

2.3 The Buyer shall instruct the Seller(s) Accountants to:

to:

2.3.1 report on the Business Value and on the basis of the Completion Statement the Business Value ("the Business Value"); and

on the basis of the Completion Statement the Business Value ("the Business Value"); and

2.3.2 deliver the Completion Statement to the Buyer's Accountants;

and provide access to all documents and information in the possession of the Seller(s) Accountants;

within <<Insert number>> days of the delivery of the Completion Statement to the Buyer's Accountants of the Business Value.

ing delivery to the Buyer's Accountants of the Business Value.

2.4 If such queries and observations are raised by the Seller(s) Accountants within <<Insert number>> days of the delivery of the Completion Statement to the Buyer's Accountants, reflected in any and all queries and observations, it shall be open to the Buyer to request an Independent Accountant to determine the Business Value, and his determination shall, in the absence of material error, be binding on the parties.

Seller('s)(s') Accountants raise queries and observations, it shall be open to the Buyer to request an Independent Accountant to determine the Business Value, and his determination shall, in the absence of material error, be binding on the parties.

2.5 If the Seller('s)(s') Accountants raise queries or observations in respect of the Completion Statement within <<Insert number>> days of the following delivery of the Completion Statement, then the Completion Statement shall be final and binding on the parties, and the Completion Statement shall be final and binding on the parties.

any queries or observations in respect of the Completion Statement within <<Insert number>> days of the following delivery of the Completion Statement, then the Completion Statement shall be final and binding on the parties, and the Completion Statement shall be final and binding on the parties.

2.6 In stating, agreeing or determining the Business Value, the Buyer's Accountants, if applicable, the Independent Accountant, and the Seller(s) Accountants shall act as experts and not as arbitrators.

case may be) the Business Value, the Buyer's Accountants and, if applicable, the Independent Accountant, shall act as experts and not as arbitrators.

2.7 The Buyer and the Seller(s) shall provide or cause to be provided to the Buyer's Accountants and the Seller(s) Accountants and the Independent Accountant such information and assistance as they or any of them may reasonably require for the preparation of the Completion Statement (and to make part 2 of this Schedule) or to determine the Business Value.

provide or cause to be provided to the Buyer's Accountants and the Seller(s) Accountants and the Independent Accountant such information and assistance as they or any of them may reasonably require for the preparation of the Completion Statement (and to make part 2 of this Schedule) or to determine the Business Value.

2.8 The Seller(s) shall be responsible for the costs of their respective Accountants in connection with the preparation of the Completion Statement in part 2 of this Schedule.

ing the costs of their respective Accountants in connection with the preparation of the Completion Statement in part 2 of this Schedule.

**3. Accounting principles**

3.1 Subject to paragraph 3.1.2 of this Schedule, the Completion Accounts shall be prepared in accordance with:

3.1.1 generally accepted accounting principles, methods and practices in the jurisdiction

3.1.2 to the extent specified in the Disclosure Letter or in the Completion Accounts, the accounting principles, methods and practices specified in the Disclosure Letter in the preparation of the Completion Accounts

[3.2 The following specific provisions shall apply to the preparation of the Completion Accounts:

<<Insert any detailed provisions>>

3.3 The following Assets shall be valued at their carrying values for the purposes of this Transaction:

Goodwill (amount in figures>>)

Contracts (amount in figures>>)

Books and Records

The rights referred to in Clause [2.8] OR [2.9]