

Information Memorandum

Information memorandum or business profile sets out all the relevant information about your business so that a prospective purchaser may appraise the opportunity.

It should be comprehensive and accurate, reflecting an honest picture of the business.

A professionally prepared information memorandum is a strong marketing tool in the sale of the business and provides transparency to the purchaser.

Information Memorandum should show: -

- True earnings of the past
- Current situation
- Future earnings capacity

This will typically include:

1. Executive summary
2. Ownership and history - background of the business, highlighting opportunities for a buyer and the reasons for the sale.
3. Management organisation and control
4. Staffing structure
5. Historical financial information and comments
6. Financial performance including the profit and loss accounts 2 – 3 years
7. Financial outlook including cashflow forecast
8. Opportunities and potential
9. SWOT analysis and business plan
10. Detailed breakdown of tangible and intangible assets
11. The business valuation appraisal.
12. Product/ service positioning
13. Premises, facilities and lease details
14. Competitors and customers – only disclosed if not sensitive.
15. Reason for sale
16. Nature of operations – information on products, divisions, market share, research and development, accounting policies and major suppliers.
17. Appendices including marketing material, plant and equipment schedule, etc.